
***CITY OF SAINT CHARLES, MISSOURI
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2014***



Report issued by the Finance Department

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Part I – Introductory Section



Discover.

June 12, 2015

Honorable Mayor
City Council Members; and the Citizens of
City of Saint Charles, Missouri:

It is my pleasure to submit the Comprehensive Annual Report (CAFR) of the City of Saint Charles, Missouri for the year ended December 31, 2014. It is submitted according to the provisions of Sections 3.14 and 5.3(a) of the City Charter. The City Charter requires an annual audit of all City accounts by an independent certified public accounting firm selected by the City Council. This requirement has been complied with and the independent auditors' report has been included in this report. The independent auditors' report is "unmodified," meaning no significant exceptions in accounting practice or presentation were found. Additionally, as explained in more detail later in this letter, the City was awarded the Certificate of Achievement for Excellence in Financial Reporting for its 2013 Comprehensive Annual Financial Report. This is the twenty-sixth consecutive year our City has received this prestigious award.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Saint Charles' MD&A can be found immediately following the Independent Auditors' report.

The responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and the results of operations of the various activities of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Department of Finance

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www.stcharlescitymo.gov

PROFILE OF GOVERNMENT

The Primary unit of government is the City of Saint Charles and its blended component unit is described as follows:

The City of Saint Charles, Missouri is located in east central Missouri on the Missouri River near its confluence with the Mississippi River, approximately 20 miles west of the City of St. Louis, Missouri. The City of Saint Charles was incorporated as the Town of Saint Charles on November 2, 1809, by the Court of Common Pleas, District of Saint Charles. By an act of the General Assembly on March 10, 1849, it became the City of Saint Charles, Missouri by special charter. The City now operates under a Home Rule Charter effective in 1982 according to the provisions of the Missouri Constitution. As required by GAAP, the City's financial reporting entity includes all activities of The City of Saint Charles, Missouri, and of its blended component unit. The City provides a full range of services. These services include police and fire protection, water, sanitary sewer, ambulance services, construction and maintenance of streets and infrastructure, planning and zoning management, recreational activities, cultural and historic events, and general administrative services. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the City of Saint Charles, Missouri Public Facility Authorities (the PFA), a legally separate not-for-profit corporation, formed to facilitate the acquisition and construction of certain capital improvements solely for the benefit of the City, is blended with the respective funds of the primary government. The City covers approximately 24.6 square miles and serves as the county seat of the County of Saint Charles, Missouri. It is located approximately seven (7) miles from Lambert-St. Louis International Airport, in St. Louis, Missouri. Also, within the central business district near the City's scenic riverfront are North and South Main Street, which are part of a registered historic district.

ECONOMIC CONDITION AND OUTLOOK

The City of St. Charles, along with St. Charles County, continues to be recognized as the economic growth leader for the greater St. Louis metropolitan area. Our greatest strength lies in the fact that we have one of the most diverse economic bases in the area. Our largest employers consists of entertainment, health care, education, defense, advanced manufacturing, secondary office, logistics and customer service.

Our economic growth has been spurred on a number of fronts; chief among them is Streets of St. Charles and University Commons. Streets of St. Charles is a mixed used residential, office and commercial development located along Interstate 70. The importance of this location is that it serves as the primary entry point to the city.

Developed by Cullinan Properties, the Streets of St. Charles is approximately 50% complete and serves as office homes to Wahmhoff Financial, Cole & Associates, The Art Institute of St. Louis, Woodard & Curren, Duncan Financial and Brown, Smith and Wallace. In addition, retail establishments such as Tucano's, Prasino, Dewey's Pizza, Bar Louie, Massage Luxe, St. Charles Dental, Leopard Boutique and AMC Theaters are also located on site. It is estimated there are close to 900 employees (both full and part-time) onsite.

University Commons, developed by The Desco Group, is a retail initiative located across First Capitol Drive/Highway 94 from Lindenwood University. Opened in the fall of 2014, University Commons is primarily an inline shopping center that houses a Schnuck's Grocery Store, Great Clips and GNC. CVS Pharmacy opened its first St. Charles operation in the development as a stand alone building at the corner of First Capitol and West Clay.

The city also continues to experience economic growth in its other sectors. Patterson Mold is expanding its operation in the Blanchette Business Park along Highway 94 and will add 25 new employees. Client Services added an additional 300 employees during the early part of 2014.

MAJOR INITIATIVES

The City continues to utilize revenues generated by a ½ cent sales tax, which are earmarked for capital improvements, to help meet its on-going capital replacement plan and annual street overlay and reconstruction program.

Gaming revenue was utilized in 2014 for ongoing capital projects such as drainage improvements as well as storm water, storm sewer and creek bank stabilization projects. Street projects funded in 2014 include Boschertown Road, Phase II and the 5th Street Gateways projects. Some of the more significant capital projects planned in 2015 include ongoing construction of Boschertown Road, Truman Road reconstruction and replacement of dump trucks, work trucks and other heavy construction equipment. The City has provided additional funding for annual contributions toward the County Arena project, the Foundry Art Center, and various other street and stormwater projects. Some of the funds continue to be utilized for a portion of the debt service for the bond issue which funded stormwater improvements.

One of the most significant projects for 2014 and continuing into 2015 is the 5th Street Gateway Project. The \$10.4 million project has been scheduled in sections and is set to complete in 2016. The project goals are to enhance the aesthetics, improve traffic flow, improve safety and promote pedestrian activity.

The City officially opened new Fire Station #4 and public safety facility on July 31, 2014. In addition to replacing the almost 40-year-old Fire Station #4 at 400 North Drive, this facility is also home to the Fire Department's administrative staff. The new facility has office and interview space for the Police Department as well as a multipurpose center, which will be used as a Community Room and Emergency Operations Center, should the need arise.

FINANCIAL INFORMATION

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The idea of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit

As a recipient of federal, state and county financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations relating to those programs. This internal control structure is subject to periodic evaluation by management of the City. The City is required to undergo an annual single audit performed in conformity with the provisions of the Single Audit Act Amendment of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Information related to this single audit, including the schedule of expenditures of federal awards and the independent auditors' reports on compliance and on internal controls over financial reporting and compliance with and internal control requirements applicable to each major program is included in a separately-issued single audit report.

Budgetary Controls

The budget sets forth the proposed level of funding of the City's various operating and public service programs. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is the department level in the General fund or at the fund level for all other fund types, as they are not departmentalized. The City maintains an encumbrance accounting system as one method of maintaining budgetary control. Unencumbered amounts lapse at year end.

Financial Condition

The Management Discussion and Analysis (MD&A) provides a great opportunity to describe the operations and financial results of the City in a format more similar to that currently required for private industry. The MD&A serves to summarize the significant changes in balances in the Statement of Net Position over the year and the results of the Statement of Activities on a year-over-year basis. These government-wide statements allow the reader to gain a “big picture” view of the government as a whole, as well as monitor and track certain key balances, such as unrestricted net assets, which can be one indicator of the overall “financial health” of the City. In addition, the Fund Financial Statements, which start on page 15, are designed to address major individual funds by category (governmental, proprietary, fiduciary, or internal service). The activities within these funds are explained in the MD&A (see page 3) as well as the footnotes (see page 24).

Retirement System

The City participates in the Missouri Local Government Employees Retirement System. The plan is non-contributory and covers all full-time City employees. The City funds the entire cost of the plan. Contributions, based on actuarial valuations, were 14.1% of gross salaries for general and public works employees, 14.7% for police officers, and 12.5% for fire personnel.

Debt Administration

Outstanding general obligation bonds at December 31, 2014 totaled \$21,105,000. Additionally, the City had \$49,870,000 of Neighborhood Improvement District Limited General Obligation bonds outstanding at December 31, 2014. Under current State statutes, the City has a legal general obligation debt limit of 10% of the most recent assessed valuation. As of December 31, 2014, the City’s net bonded indebtedness of \$58,399,929 was well below the legal limit of \$124,729,786, and general bonded debt per capita was \$864.30.

AWARDS AND RECOGNITION

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Saint Charles, Missouri for its Comprehensive Annual Financial Report for the fiscal period ended December 31, 2013. This was the twenty-sixth consecutive year that the City has received this prestigious award since 1988. To be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR whose contents conform to program standards. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for one year only. I believe that our 2014 CAFR continues to meet the Certificate of Achievement Program's requirements, and we will submit it to the GFOA to decide its eligibility for another certificate.

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express my appreciation to Jennifer O'Connor, Audit and Accounting Manager, as well as all other members of the Finance Team for their participation. I would also like to thank the Mayor and her staff, the Director of Administration and his staff and the members of the City Council for their interest and support in planning and conducting the financial operations of the City.

Respectfully submitted,



Valerie Berge
Interim Director of Finance

CITY OF SAINT CHARLES, MISSOURI

List of City Officials

As of December 31, 2014

ELECTED OFFICIALS:

<u>TITLE</u>	<u>NAME</u>	<u>TERM</u> <u>IN YEARS</u>	<u>EXPIRES</u>
Mayor	Sally Faith	4	4/19
Councilperson	Mary Ann Ohms	3	4/17
Councilperson	Tom Besselman	3	4/17
Councilperson	Laurie Feldman	3	4/17
Councilperson	Mary West	3	4/17
Councilperson	John Hanneke	3	4/17
Councilperson	Jerry Reese	3	4/16
Councilperson	Dave Beckering	3	4/16
Councilperson	Rod Herrmann	3	4/16
Councilperson	Ron Stivison	3	4/16
Councilperson	Bridget Ohmes	3	4/16
Municipal Court Judge	William Lohmar Jr.	4	4/19

APPOINTED OFFICIALS:

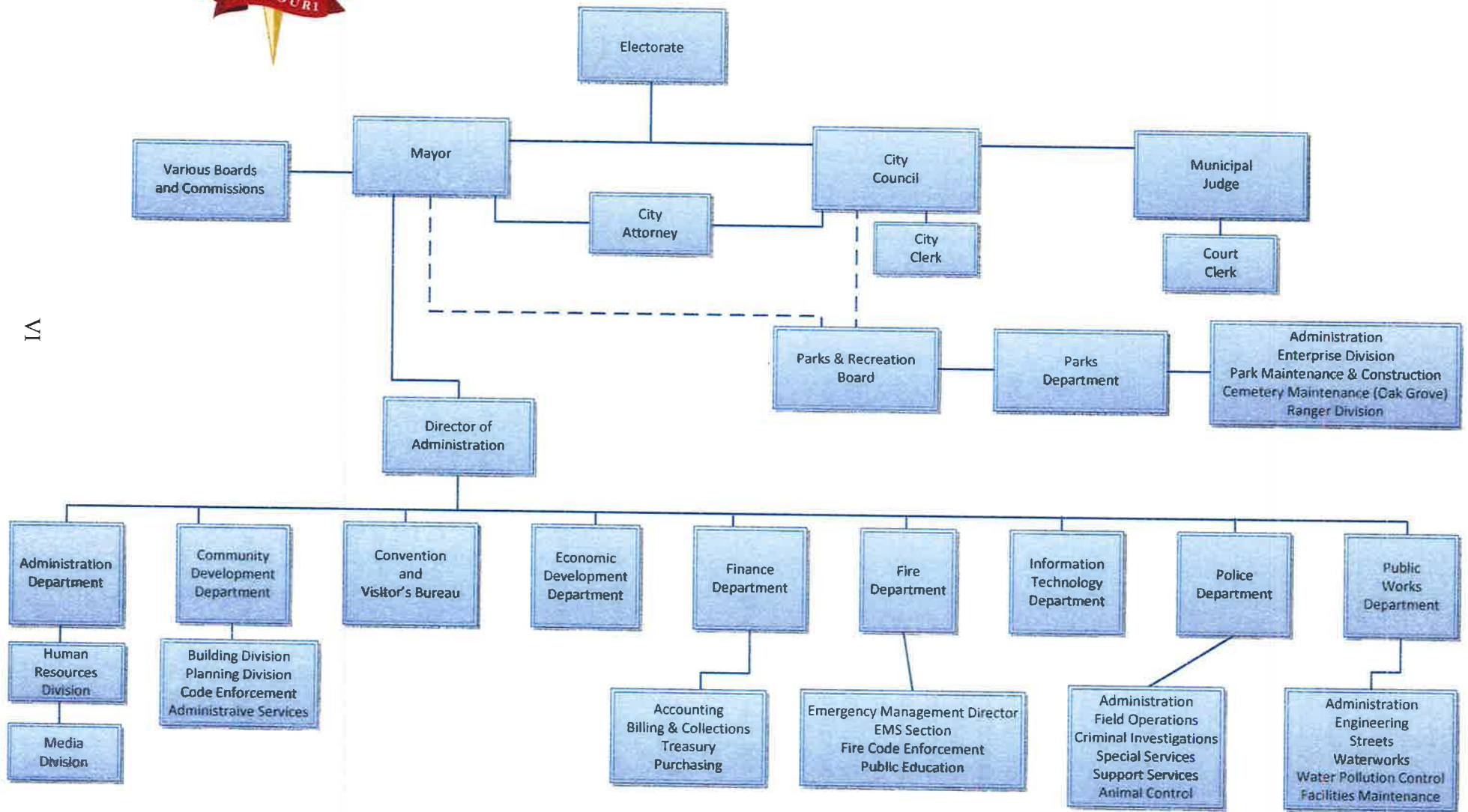
Director of Administration	Michael Spurgeon
City Clerk	Laura Whitehead
Director of Community Development	Bruce Evans
Fire Chief	Mike Myers
Police Chief	Randy McKinley
Director of Public Works	Jerry Hurlbert
Director of Parks	Maralee Britton
Director of Finance	Kelly Vaughn
City Attorney	Michael Valenti
Director of Tourism & Econ Dev	David Leezer
Director of Information Technology	Matthew Seeds

APPOINTED COMMISSIONS:

President, Public Park Board	T. J. Slattery
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The City of St. Charles, MO Organizational Chart





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of St. Charles
Missouri**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO



Part II – Financial Section



CPAs and
Management Consultants

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Independent Auditors' Report

To Honorable Mayor and Members
of the City Council
City of Saint Charles, Missouri

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Saint Charles, Missouri (the "City"), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of St. Peters – St. Charles Water Pipeline Project, which is a joint venture with the City, and represents 7 percent, 11 percent, and 1 percent of the assets, net position, and revenues of the Water Works Fund. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for St. Peters – St. Charles Water Pipeline Project, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-12, budgetary comparison information and related schedules on pages 67-70, and schedules of funding progress on pages 71-72 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements, and schedules – other supplementary information, individual fund schedules of revenues, expenditures and changes in fund balances – budget to actual schedules – other supplementary information, combining fiduciary fund statements and schedules – other supplementary information and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Kerber, Eick & Braeckel LLP

St. Louis, Missouri
June 17, 2015

Management's Discussion and Analysis

CITY OF SAINT CHARLES, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2014

The City of Saint Charles, Missouri has prepared financial statements in accordance with the guidelines prescribed in GASB Statement 34. This discussion and analysis of the City of Saint Charles' financial performance is meant to provide an objective and easily readable analysis of the City's financial activities based on current facts and conditions. Please read this in conjunction with the accompanying transmittal letter and basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of Saint Charles exceeded its liabilities at the close of the fiscal year by \$273,952,457. Net position is comprised of: \$227,780,513 net investment in capital assets, \$86,193,122 restricted for capital projects, debt service and other purposes; and \$6,647,885 unrestricted net position. Governmental activities unrestricted net position are (\$13,199,664).
- The City's total net position increased approximately \$6.0 million. Net position of business-type activities increased by \$1.3 million; net position of governmental activities increased by \$4.7 million (2.2%) to \$212 million.
- Business-type operations reflected an operating gain of \$3.8 million.
- At December 31, 2014, the City of Saint Charles' governmental funds reported a combined ending fund balance of \$70.8 million, a decrease of \$5.3 million from 2013. The decrease is attributable to a decrease of \$7.3 million in Other Governmental funds, offset by an increase of \$2.1 million in the General fund.
- In April 2014, the City issued \$2.9 million of limited general obligation bonds to fund the New Town Gateway Infrastructure project.
- In May 2014 the City issued \$6.8 million of refunding certificates of participation to refund \$9.1 million of the outstanding principal of the Series 2009 certificates of participation bonds.
- Overall capital assets increased \$4.5 million. Capital assets used in governmental activities increased \$4.5 million, and capital assets used in business-type activities remained relatively unchanged.

USING THIS ANNUAL FINANCIAL REPORT

This annual report consists of a series of financial statements. These statements are presented so that the reader can understand the City of Saint Charles' financial situation as a whole, and also give a detailed view of the City's fiscal condition.

CITY OF SAINT CHARLES, MISSOURI

Management's Discussion and Analysis (continued)

The Statement of Net Position and Statement of Activities provide information about the activities of the City as a whole, and present a longer-term view of the City's finances. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term, as well as the amount of funds available for future spending. The fund financial statements also look at the City's most significant funds with all other non-major funds presented in total in one column.

REPORTING THE CITY AS A WHOLE

The Government-Wide Financial Statements present the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. The statements present governmental activities and business-type activities separately. These statements include certain infrastructure as well as all known liabilities (including long-term debt). Additionally, certain eliminations have occurred as prescribed by the statement in regards to inter-fund activity, payables and receivables.

The Statements of Net Position and Activities report the City's *net position* and the resulting changes. Net position is the difference between assets, deferred outflows of resources and liabilities, which is one way to measure the City's financial health, or *financial position*. Over time, *increases or decreases* in the City's net position are one indicator of whether its financial health is improving or deteriorating. In evaluating the overall *financial health*, the reader of these financial statements needs to take into account non-financial factors that also impact the City's financial well being. Some of these factors include the City's tax base and the condition of capital assets.

In the Statement of Net Position and the Statement of Activities, the City is divided into two kinds of activities:

- Governmental Activities – Most of the City's services are reported here including police, fire, public works, recreation, administrative, judicial, and legislative and executive.
- Business-Type Activities – These services include sewer, water and parking. Service fees for these operations are charged based upon the amount of usage or a usage fee. The intent is that the fees charged recoup operational costs.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The analysis of the City's major funds begins on page 15. Fund financial statements provide detailed information about the City's major funds – not the City as a whole. Some funds are required by State law and bond covenants. Other funds may be established by the Director of Finance, with approval of council, to help control, manage and report money received for a particular purpose or to show the City is meeting legal responsibilities for use of grants. The City of Saint Charles' major funds are General, Special Street Construction, Neighborhood Improvement District Capital Projects, Neighborhood Improvement District Debt Service, Sanitary Sewer, and Water Works.

CITY OF SAINT CHARLES, MISSOURI

Management's Discussion and Analysis (continued)

Governmental Funds

Most of the City's services are reported in governmental funds, which focus on how money flows into and out of those funds, and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or less financial resources that can be spent in the near future on services provided to our residents. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds

When the City charges citizens for the services it provides, with the intent of recapturing operating costs, these services are generally reported in proprietary funds. Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match. Internal service funds are used to report activities that provide services to the City's other funds and departments.

Fiduciary Funds

The City has fiduciary responsibilities for resources held for the benefit of parties outside the government. These assets are restricted in purpose and are not available to support the City's own programs. Therefore, these assets are not presented as a part of the government-wide financial statements.

Notes to the Basic Financial Statements

The notes provide additional information essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements. The Notes to the Financial Statements starts on page 24 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report includes certain *required supplementary information* concerning budgetary comparison schedules for the general fund and each major fund. Required supplementary information can be found on pages 67-72 of this report.

The combining and individual statements for non-major and other governmental funds are presented immediately following the required supplemental information.

CITY OF SAINT CHARLES, MISSOURI

Management's Discussion and Analysis (continued)

THE CITY AS A WHOLE

As stated previously, the Statement of Net Position looks at the City as a whole. The following table provides a condensed statement of net position as of December 31, 2014 and 2013:

**Table 1: Net Position
(In Thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
<u>Assets</u>						
Current and Other Assets	\$ 129,521	\$ 134,811	\$ 34,382	\$ 37,268	\$ 163,903	\$ 172,079
Capital Assets, Net	218,538	214,051	143,931	143,944	362,469	357,995
Investment in Joint Venture	-	-	3,693	3,829	3,693	3,829
Total Assets	348,059	348,862	182,006	185,041	530,065	533,903
<u>Deferred Outflows of Resources</u>						
Deferred Charges on Refunding	2,477	2,799	113	185	2,590	2,983
<u>Liabilities</u>						
Current and Other Liabilities	16,929	16,355	3,937	4,073	20,866	20,428
Long-Term Liabilities:						
Due within One Year	8,866	8,439	3,085	2,870	11,951	11,309
Due in More Than One Year	112,630	119,483	113,255	117,757	225,885	237,240
Total Liabilities	138,425	144,277	120,277	124,700	258,702	268,977
<u>Net Position</u>						
Net Investment in Capital Assets	185,786	177,409	41,994	41,519	227,780	218,928
Restricted:						
Capital Projects	4,926	2,355	-	-	4,926	2,355
Debt Service	20,491	27,878	-	-	20,491	27,878
Other Purposes	14,108	14,395	-	-	14,108	14,395
Unrestricted	(13,200)	(14,653)	19,848	19,007	6,648	4,354
Total Net Position	\$ 212,111	\$ 207,384	61,842	\$ 60,526	\$ 273,953	\$ 267,910

By far, the largest portion of the City's net position (83%) reflects its investment in capital assets (e.g.: land, infrastructure, buildings, and equipment), less any related debt used to acquire those assets still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Total net position of the City as a whole increased \$6.0 million during the current fiscal year. Governmental activities increased \$4.7 million, while Business-type activities increased \$1.3 million.

Long-term liabilities for governmental activities decreased \$6.4 million in 2014. The decrease is primarily related to scheduled debt repayments and multiple bond refundings as discussed in Note 8 – Long Term Liabilities.

The net position of the City's business type activities increased by \$1.3 million. Business-type activities reflect an operating gain of \$3.8 million. The City strives to control operating expenses for business-type activities in order to maintain stability in charges for services rates.

CITY OF SAINT CHARLES, MISSOURI

Management's Discussion and Analysis (continued)

Table 2 shows the changes in net position for the year ended December 31, 2014 and 2013.

**Table 2: Changes in Net Position
(In Thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues						
Program Revenues:						
Charges for Services	\$ 7,407	\$ 6,281	\$ 20,734	\$ 19,120	\$ 28,141	\$ 25,401
Operating Grants and Contributions	7,474	7,860	-	-	7,474	7,860
Capital Grants and Contributions	13,831	8,060	984	3,071	14,815	11,131
Total Program Revenues	28,712	22,201	21,718	22,191	50,430	44,392
General Revenues:						
Property Taxes	12,606	11,845	-	-	12,606	11,845
Sales Taxes	16,968	15,519	-	-	16,968	15,519
Gaming Taxes	11,984	12,310	-	-	11,984	12,310
Utility Taxes	8,534	8,347	-	-	8,534	8,347
Tourism & Hotel Taxes	2,936	2,694	-	-	2,936	2,694
TIF Revenues	6,235	5,629	-	-	6,235	5,629
Other Taxes	1,453	1,924	-	-	1,453	1,924
Other	3,923	458	1,880	2,067	5,803	2,525
Total General Revenues	64,639	58,726	1,880	2,067	66,519	60,793
Total Revenues	93,351	80,927	23,598	24,258	116,949	105,185
Expenses:						
General Government	16,742	16,623	-	-	16,742	16,623
Public Works/ Public Improvements	23,632	31,208	-	-	23,632	31,208
Public Parks	5,313	5,007	-	-	5,313	5,007
Public Safety	33,605	31,543	-	-	33,605	31,543
Public Services	55	264	-	-	55	264
Convention Center	1,779	1,201	-	-	1,779	1,201
Interest and Fiscal Charges	4,314	4,324	-	-	4,314	4,324
Waterworks	-	-	8,387	7,219	8,387	7,219
Sanitary Sewer	-	-	16,620	11,333	16,620	11,333
Parking Facilities	-	-	459	400	459	400
Total Expenses	85,440	90,170	25,466	18,952	110,906	109,122
Increase in Net Position before Transfers	7,911	(9,243)	(1,868)	5,306	6,043	(3,937)
Transfers	(3,184)	614	3,184	(614)	-	-
Increase/(Decrease) in Net Position	4,727	(8,629)	1,316	4,692	6,043	(3,937)
Net Position:						
Net position, beginning	207,384	216,013	60,526	55,834	267,910	271,847
Net position, ending	\$ 212,111	\$ 207,384	\$ 61,842	\$ 60,526	\$ 273,953	\$ 267,910

Governmental Activities

Total revenue increased \$11.7 million or 11.2%. Program revenue increased by \$6.0 million or 12.0% due to an increase in capital grants and charges for services. General revenues increased \$5.7 million or 9.4%. Total governmental activities expenses decreased \$4.7 million or 5.2% due to public works/public improvements and public services.

CITY OF SAINT CHARLES, MISSOURI

Management's Discussion and Analysis (continued)

Business-Type Activities

The City's business-type activities include Water, Sewer and Parking.

Water – Charges for services increased \$0.8 million or 9.6% from 2013. Rates were raised January 1, 2014. Expenses increased \$1.1 million or 16.2% primarily resulting from an increase in contracted service and other operating expenses from 2013.

Sewer – Charges for services increased \$0.9 million or 8.1% from 2013. Rates were raised January 1, 2014. Expenses increased \$5.3 million or 46.6%, primarily reflecting an increase in repairs and maintenance and depreciation expense.

THE CITY'S FUNDS

Information about the City's governmental funds begins on page 15. These funds are reported using the modified accrual basis of accounting. All Governmental funds had total revenues of \$91.0 million and expenditures of \$97.5 million.

The General fund is the chief operating fund of the City of Saint Charles. As of December 31, 2014, the General fund unassigned fund balance was \$13.3 million. The General fund total fund balance increased \$2.1 million from 2013. Revenues, proceeds from the sale of assets and transfers exceeded expenses for the year. Overall, revenues increased \$4.2 million. Tax revenue was up \$3.8 million mainly as a result of a property tax settlement received. Expenditures increased \$2.4 million in 2014 primarily as a result of an increase in public safety expenditures.

The Special Street Construction does not carry a fund balance. This fund is to record all revenues and expenses related to grant funding for City purposes.

The Neighborhood Improvement District Capital Projects Fund has a \$0.9 million decrease in fund balance mainly due to the spending of bond proceeds received in previous years.

The Neighborhood Improvement District Debt Service Fund has a \$0.7 million increase in fund balance mainly due to increases in special assessment collections. Special assessments were sufficient to cover special assessment debt service requirements in 2014.

Non-major governmental funds have a net fund balance decrease of \$7.3 million. The fund balance within the Capital Improvement fund increased by \$1.9 million as a result of a transfer in. The General Obligation Capital Projects fund decreased by \$9.0 million which was a combination of capital expenditures and transfers out.

Sanitary Sewer fund reflected net loss before capital contributions of \$10.4 million; Waterworks reflects net income of \$7.3 million and parking funds reflected net income of \$3.4 million. Fees have historically been set to cover cash flow needs.

CITY OF SAINT CHARLES, MISSOURI

Management's Discussion and Analysis (continued)

GENERAL FUND BUDGETARY HIGHLIGHTS

The City's budget is adopted on a fund basis, which can be found in the Required Supplementary Information. Revenue results were \$2.8 million over revised budget projections. Actual expenditures were \$1.0 million below budget, primarily reflecting various open contracts and capital projects that will be completed in 2015.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The amount invested in capital assets for the City at December 31, 2014, is \$362 million, net of accumulated depreciation. This amount includes all infrastructure assets. The following table breaks down the City's capital asset balance into the various categories of assets.

**Table 3: Capital Assets
(Net of depreciation)
(In Thousands)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Land	\$ 30,188	\$ 30,188	\$ 618	\$ 618	\$ 30,806	\$ 30,806
Land Improvements	6,368	6,864	-	-	6,368	6,864
Structures and Improvements	31,637	25,966	134,639	76,805	166,276	102,771
Furniture, Fixtures and Equipment	13,361	14,317	2,866	3,318	16,227	17,635
Infrastructure	120,286	120,749	-	-	120,286	120,749
Construction in Progress	16,697	15,967	5,808	63,203	22,505	79,170
Totals	<u>\$ 218,537</u>	<u>\$ 214,051</u>	<u>\$143,931</u>	<u>\$143,944</u>	<u>\$ 362,468</u>	<u>\$ 357,995</u>

Major capital asset transactions during the year include the following additions and disposals:

Governmental Activities:

Land Improvements decreased \$2.3 million. Projects deleted include various paving projects. Infrastructure increased by \$5.9 million. Projects completed during the year include North Fairgrounds – Phase II road and West Clay Extension. Projects accepted include Tuscany and Brighton Park subdivision storm mains.

Construction-in-progress at December 31, 2014 of \$16.7 million consists primarily of street, stormwater and parks projects.

CITY OF SAINT CHARLES, MISSOURI

Management's Discussion and Analysis (continued)

Business-Type Activities:

Waterworks infrastructure increased \$6.2 million due to completion of Elm Point Storage Tank Upgrade and Residential Meter Replacement Project.

Sanitary Sewer infrastructure increased \$49.4 million due to completion of the Missouri and Mississippi Treatment Plants and the Adams Lift Station Major Upgrades.

Additional information on the City's capital assets can be found in Note 4 to the Basic Financial Statements.

Debt

At December 31, 2014, the City of Saint Charles had \$227.6 million in outstanding debt. Of this, \$21.1 million in debt backed by the full faith and credit of the City.

**Table 4:
Outstanding Debt at Year End
(in thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Certificates of Participation	\$ 25,205	\$ 28,249	\$ 118,615	\$ 123,281	\$ 143,820	\$ 151,530
General Obligation Bonds	21,105	22,450	-	-	21,105	22,450
Neighborhood Improvement District Bonds	49,870	48,840	-	-	49,870	48,840
Tax Increment Revenue Notes	13,242	16,221	-	-	13,242	16,221
Capital Leases	1,889	2,110	-	-	1,889	2,110
Totals	<u>\$ 111,311</u>	<u>\$ 117,870</u>	<u>\$ 118,615</u>	<u>\$ 123,281</u>	<u>\$ 229,926</u>	<u>\$ 241,151</u>

Additional information on the City's debt can be found in Note 8 to the Basic Financial Statements.

Economic Outlook

The City of Saint Charles has been somewhat buffered from the economic woes of the rest of the State and Nation. City revenues steadily increase while Administration plans decreases in City expenditures. Population growth continues in the City and St. Charles County. Other economic factors are as follows:

- The unemployment rate was 4.5% for December 2014, which is an improvement from 5.7% for December 2013.
- 2014 saw an increase in occupational licenses, an increase from 2013.

CITY OF SAINT CHARLES, MISSOURI

Management's Discussion and Analysis (continued)

Assessed valuation increased by approximately .06% for the 2014 tax year. The state of Missouri allows taxing entities to adjust their tax rates to obtain the same amount of property tax revenue that they received in the past assessment year. The City Council voted to not change the tax rate for 2014 in order to maintain the same level of revenue for the General, Parks, and Debt Service funds. Assessed valuation is expected to increase slightly due to new construction.

Planned rate increases for Waterworks and Sanitary Sewer went into effect on January 1, 2014. Rate increases for 2010-2015 were approved in 2010 to finance the \$73 million of improvements to the water and sewer infrastructure.

CONTACTING THE CITY'S FINANCE DEPARTMENT

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact The Finance Office, City of Saint Charles, 200 N. Second Street, St. Charles, Missouri, 63301.



Basic Financial Statements

CITY OF SAINT CHARLES, MISSOURI

**STATEMENT OF NET POSITION
DECEMBER 31, 2014**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Pooled cash and investments	\$ 54,702,778	\$ 14,285,848	\$ 68,988,626
Receivables (net):			
Taxes	10,754,720	-	10,754,720
Intergovernmental	6,053,480	-	6,053,480
Services	225,364	4,700,091	4,925,455
Interest	85,809	-	85,809
Other	1,366,438	49,275	1,415,713
Inventories	-	165,468	165,468
Prepaid items	57,219	-	57,219
Restricted assets:			
Pooled cash and investments	4,135,853	663,662	4,799,515
Held by Trustee	3,808,929	13,892,185	17,701,114
Special assessment receivable	45,591,060	-	45,591,060
Long-term receivables	2,739,541	624,469	3,364,010
Investment in joint venture	-	3,693,034	3,693,034
Capital assets:			
Nondepreciable	46,885,106	6,426,682	53,311,788
Depreciable	171,652,762	137,504,909	309,157,671
Total Assets	<u>348,059,059</u>	<u>182,005,623</u>	<u>530,064,682</u>
Deferred Outflows of Resources:			
Deferred charges on refunding	<u>2,477,027</u>	<u>113,143</u>	<u>2,590,170</u>
Liabilities:			
Accounts payable	5,492,392	759,517	6,251,909
Accrued payroll	1,464,782	81,320	1,546,102
Accrued interest payable	6,590,326	2,305,167	8,895,493
Other liabilities	84,038	126,104	210,142
Unearned revenue	681,400	-	681,400
Deposits and escrow funds	-	664,447	664,447
Claims payable	2,615,541	-	2,615,541
Long-Term Liabilities:			
Due within one year	8,866,128	3,085,772	11,951,900
Due in more than one year	<u>112,630,615</u>	<u>113,254,846</u>	<u>225,885,461</u>
Total Liabilities	<u>138,425,222</u>	<u>120,277,173</u>	<u>258,702,395</u>
Net Position:			
Net investment in capital assets	185,786,469	41,994,044	227,780,513
Restricted for:			
Street maintenance and improvement	3,182,473	-	3,182,473
Community development	3,075,614	-	3,075,614
TIF projects and debt obligations	-	-	-
Debt service - general obligation	3,807,365	-	3,807,365
Debt service - special assessment	16,683,483	-	16,683,483
Sewer lateral projects	1,729,514	-	1,729,514
Parks	2,749,836	-	2,749,836
Capital projects	4,925,881	-	4,925,881
Cemetery:			
Expendable	362,842	-	362,842
Non-expendable	233,912	-	233,912
Tourism	2,337,678	-	2,337,678
Special business district	227,432	-	227,432
DAG forfeiture	122,263	-	122,263
DWI recoupment	85,766	-	85,766
Unrestricted	<u>(13,199,664)</u>	<u>19,847,549</u>	<u>6,647,885</u>
Total Net Position	<u>\$ 212,110,864</u>	<u>\$ 61,841,593</u>	<u>\$ 273,952,457</u>

CITY OF SAINT CHARLES, MISSOURI

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014**

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General government	\$ 16,742,085	\$ 1,952,516	\$ 779,497	\$ -	\$ (14,010,072)	\$ -	\$ (14,010,072)
Public works/public improvements	23,632,479	879,693	3,724,544	13,598,710	(5,429,532)	-	(5,429,532)
Public parks	5,312,108	2,158,950	20,000	211,533	(2,921,625)	-	(2,921,625)
Public safety	33,605,293	2,416,006	71,107	20,721	(31,097,459)	-	(31,097,459)
Public services	55,600	-	-	-	(55,600)	-	(55,600)
Convention Center	1,779,409	-	2,878,857	-	1,099,448	-	1,099,448
Interest on long-term debt	4,313,881	-	-	-	(4,313,881)	-	(4,313,881)
Total Governmental Activities	85,440,855	7,407,165	7,474,005	13,830,964	(56,728,721)	-	(56,728,721)
Business-Type Activities:							
Waterworks	8,387,485	9,015,282	-	672,997	-	1,300,794	1,300,794
Sanitary sewer	16,620,100	11,615,272	-	311,062	-	(4,693,766)	(4,693,766)
Parking facilities	458,952	103,801	-	-	-	(355,151)	(355,151)
Total Business-Type Activities	25,466,537	20,734,355	-	984,059	-	(3,748,123)	(3,748,123)
Total Primary Government	\$ 110,907,392	\$ 28,141,520	\$ 7,474,005	\$ 14,815,023	(56,728,721)	(3,748,123)	(50,476,844)
General Revenues:							
Property taxes levied for:							
General purposes					7,303,801	-	7,303,801
Parks					3,127,297	-	3,127,297
Debt service					2,174,866	-	2,174,866
Sales tax levied for:							
General purposes					11,483,052	-	11,483,052
Capital improvement					5,485,202	-	5,485,202
Gaming taxes					11,983,798	-	11,983,798
Utility taxes					8,533,576	-	8,533,576
Tourism and hotel taxes					2,935,696	-	2,935,696
TIF revenues					6,235,153	-	6,235,153
Other taxes					1,453,733	-	1,453,733
Earnings on investments					155,401	15,185	170,586
Gain on the modification of debt agreement					828,000	-	828,000
Other revenues					2,939,372	1,864,633	4,804,005
Transfers					(3,183,586)	3,183,586	-
Total General Revenues and Transfers					61,455,361	5,063,404	66,518,765
Change in Net Position					4,726,640	1,315,281	6,041,921
Net Position, Beginning of Year					207,384,224	60,526,312	267,910,536
Net Position, End of Year					\$ 212,110,864	\$ 61,841,593	\$ 273,952,457

CITY OF SAINT CHARLES, MISSOURI

**BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2014**

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Special Street Construction	Neighborhood Improvement District Capital Projects	Neighborhood Improvement District Debt Service	Other Governmental Funds	
Assets:						
Cash and investments:						
Held by trustees	\$ -	\$ -	\$ -	\$ -	\$ 3,808,929	\$ 3,808,929
Restricted	313,264	-	-	3,225,835	596,754	4,135,853
Unrestricted	4,176,311	-	2,428,398	4,060,803	37,936,949	48,602,461
Receivables, net of allowances where applicable:						
Taxes	6,353,660	-	-	-	4,401,060	10,754,720
Notes	-	-	-	-	2,739,541	2,739,541
Grants	104,640	5,871,694	-	-	77,146	6,053,480
Services	225,364	-	-	-	-	225,364
Interest	85,758	-	-	-	51	85,809
Special assessment	-	-	-	45,591,060	-	45,591,060
Other	91,933	-	-	-	1,274,505	1,366,438
Due from other funds	5,450,444	-	-	-	90,681	5,541,125
Prepaid expenses	1,702	-	-	-	55,517	57,219
Total Assets	\$ 16,803,076	\$ 5,871,694	\$ 2,428,398	\$ 52,877,698	\$ 50,981,133	\$ 128,961,999
Liabilities, Deferred Inflows of Resources and Fund Balances:						
Liabilities:						
Accounts payable	\$ 550,172	\$ 421,250	\$ -	\$ 6,712	\$ 4,446,433	\$ 5,424,567
Accrued payroll	1,271,761	-	-	-	193,021	1,464,782
Unearned revenue	-	-	407	-	680,993	681,400
Due to other funds	-	5,450,444	-	-	90,681	5,541,125
Other liabilities	84,038	-	-	-	-	84,038
Total Liabilities	1,905,971	5,871,694	407	6,712	5,411,128	13,195,912
Deferred Inflows of Resources:						
Unavailable revenue - property taxes	458,027	-	-	-	339,867	797,894
Unavailable revenue - special assessments	-	-	-	44,177,105	-	44,177,105
Total Deferred Inflows of Resources	458,027	-	-	44,177,105	339,867	44,974,999
Fund Balances:						
Nonspendable						
Cemetery Trust	-	-	-	-	233,912	233,912
Prepaid expenses	1,702	-	-	-	55,517	57,219
Restricted for:						
Street maintenance and improvement	-	-	-	-	3,182,473	3,182,473
Community development	-	-	-	-	3,075,614	3,075,614
TIF projects and debt obligations	-	-	-	-	1,702,796	1,702,796
Debt service	-	-	-	8,693,881	8,205,199	16,899,080
Sewer lateral projects	-	-	-	-	1,729,514	1,729,514
Parks	-	-	-	-	2,548,952	2,548,952
Capital projects	-	-	2,427,991	-	9,231,954	11,659,945
Cemetery	-	-	-	-	362,842	362,842
Tourism	-	-	-	-	2,288,141	2,288,141
Special business district	-	-	-	-	222,682	222,682
DAG forfeiture	122,263	-	-	-	-	122,263
DWI recoupment	85,766	-	-	-	-	85,766
Assigned for:						
Encumbrances	89,556	-	-	-	-	89,556
Capital projects	-	-	-	-	12,390,542	12,390,542
Redevelopment	820,310	-	-	-	-	820,310
Beautification	21,445	-	-	-	-	21,445
Unassigned	13,298,036	-	-	-	-	13,298,036
Total Fund Balances	14,439,078	-	2,427,991	8,693,881	45,230,138	70,791,088
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 16,803,076	\$ 5,871,694	\$ 2,428,398	\$ 52,877,698	\$ 50,981,133	\$ 128,961,999

CITY OF SAINT CHARLES, MISSOURI

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2014**

Amounts reported for governmental activities in the statement of net assets are different because:

Total Fund Balance - Governmental Funds	\$	70,791,088
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Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds. The cost of the assets is \$357,614,716 and the accumulated depreciation is \$139,076,848		218,537,868
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Property taxes assessed by the City, but not collected as of year end, are deferred within the fund financial statements. However, revenue for this amount is recognized in the government-wide statements.		797,894
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Special assessments levied by the City, but not collected as of year end, are deferred within the fund financial statements. However, revenue for this amount is recognized in the government-wide statements.		44,177,105
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The internal service fund is used by management to charge the costs of insurance to the individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		3,416,951
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Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as liabilities within the fund financial statements. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported on the government-wide statement of net assets. Discounts, premiums and deferred amount on refunding are reported in the governmental fund financial statements when the debt was issued whereas these amounts are deferred and amortized over the life of the debt as an adjustment to interest expense on the government-wide financial statements.

Balances as of December 31, 2014 are:

Accrued compensated absences	(3,636,749)	
Other post employment benefit obligation	(3,481,569)	
LAGERS net pension obligation	(2,147,462)	
Accrued interest on outstanding debt	(6,590,326)	
Bonds and notes payable	(111,311,434)	
Unamortized bond (premium) discount	(919,529)	
Unamortized deferred refunding	2,477,027	(125,610,042)

Total Net Position - Governmental Activities	\$	212,110,864
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CITY OF SAINT CHARLES, MISSOURI

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Major Funds				Nonmajor Funds	
	General	Special Street Construction	Neighborhood Improvement District Capital Projects	Neighborhood Improvement District Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes, including interest and penalties	\$ 36,585,246	\$ -	\$ -	\$ -	\$ 31,394,134	\$ 67,979,380
Special assessment	-	-	-	3,956,325	-	3,956,325
Federal, state and county grants	101,862	4,819,778	-	-	593,256	5,514,896
Intergovernmental revenue from St. Charles County Convention and Sports Authority	-	-	-	-	2,878,857	2,878,857
Licenses, permits, fines and fees	3,924,101	-	-	-	2,749,826	6,673,927
Interest on investments	85,091	-	3,004	26,790	40,516	155,401
Other	698,925	-	3,497	15,060	3,169,125	3,886,607
Total Revenues	41,395,225	4,819,778	6,501	3,998,175	40,825,714	91,045,393
Expenditures:						
Current:						
General government	7,949,697	-	3,497	-	6,163,187	14,116,381
Public works/Public improvements	829,747	-	-	-	5,945,571	6,775,318
Public parks	-	-	-	-	3,790,808	3,790,808
Public safety	31,326,692	-	-	-	-	31,326,692
Public services	-	-	-	-	55,600	55,600
Convention Center	-	-	-	-	1,145,018	1,145,018
Capital outlay	266,051	4,819,778	3,552,841	-	17,722,006	26,360,676
Debt Service:						
Principal retirement	-	-	-	1,895,000	6,284,880	8,179,880
Interest and fiscal charges	-	-	-	1,701,230	3,906,209	5,607,439
Bond issue costs	-	-	-	113,253	13,803	127,056
Total Expenditures	40,372,187	4,819,778	3,556,338	3,709,483	45,027,082	97,484,868
Revenues Over (Under) Expenditures	1,023,038	-	(3,549,837)	288,692	(4,201,368)	(6,439,475)
Other Financing Sources (Uses):						
Transfers in	2,318,944	-	208,287	-	4,678,164	7,205,395
Transfers out	(1,268,382)	-	-	-	(7,447,158)	(8,715,540)
Issuance of debt	-	-	2,492,504	432,496	1,514,700	4,439,700
Discount on debt issuance	-	-	(14,943)	-	-	(14,943)
Premium on debt issuance	-	-	-	-	21,776	21,776
Payment to refunding escrow agent	-	-	-	-	(1,989,600)	(1,989,600)
Proceeds from sale of capital assets	33,942	-	-	-	129,873	163,815
Total Other Financing Sources (Uses)	1,084,504	-	2,685,848	432,496	(3,092,245)	1,110,603
Net Changes in Fund Balances	2,107,542	-	(863,989)	721,188	(7,293,613)	(5,328,872)
Fund Balances:						
Beginning of Year	12,331,536	-	3,291,980	7,972,693	52,523,751	76,119,960
End of Year	\$ 14,439,078	\$ -	\$ 2,427,991	\$ 8,693,881	\$ 45,230,138	\$ 70,791,088

CITY OF SAINT CHARLES, MISSOURI

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds		\$ (5,328,872)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 for general and infrastructure are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense.		
Donated assets are not recorded in the government funds but are recognized as revenue in the statement of activities:		
Capital asset purchases	1,951,962	
Additions to construction in progress	14,662,339	
Donated capital assets	459,629	
Depreciation expense	<u>(11,679,178)</u>	5,394,752
In the statement of activities, the gain or loss on the disposition of capital assets is reported.		
The fund financial statements recognize only the proceeds from the sale of those assets.		(908,220)
The internal service fund used by management to charge the cost of insurance to individual funds is reported in the government-wide statement of activities.		
		(2,592,298)
The governmental funds report debt proceeds as an other financing source, while repayment of principal is reported as an expenditure. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds financial statements but reduces the long-term liabilities in the statement of net assets.		
Issuance of debt	(4,439,700)	
Gain on modification of debt agreement	828,000	
Principal payment to escrow agent	1,989,600	
Repayment of principal	<u>8,179,880</u>	6,557,780
Under the modified accrual basis of accounting used in governmental funds the effect of issuance costs, discounts and premiums when debt is first issued is reported in the operating statement, whereas these amounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, interest expense is recognized as it accrues, regardless of when it is due. Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The net effect of these differences is as follows:		
Compensated absences	547,892	
Other post employment benefit obligation	(471,017)	
LAGERS net pension obligation	(237,879)	
Accrued interest on outstanding debt	1,707,005	
(Premiums) discounts on debt issuance, net of amortization	28,306	
Deferred amount on refunding, net of amortization	<u>(321,530)</u>	1,252,777
Special assessments levied by the City, not due until future years are deferred in the governmental funds. In the statement of activities, the special assessments were recognized as revenues in the year they were levied. Deferred special assessment revenues increased this year.		
		3,698,421
Property tax revenues levied by the City but not collected within 60 days of year end are reported as deferred inflows of resources in the governmental funds. They are, however, recorded as revenues in the statement of activities. Deferred property tax revenues decreased this year.		
		<u>(3,347,700)</u>
Change in net assets of governmental activities		<u><u>\$ 4,726,640</u></u>

CITY OF SAINT CHARLES, MISSOURI

**STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS
DECEMBER 31, 2014**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Major Enterprise Funds		Nonmajor Enterprise Fund	Total Enterprise Funds	
	Waterworks	Sanitary Sewer	Parking Facilities		
Assets:					
Current Assets:					
Cash and cash investments:					
Held by trustees	\$ 5,790,140	\$ 8,102,045	\$ -	\$ 13,892,185	\$ -
Customer deposits	663,662	-	-	663,662	-
Unrestricted	8,325,562	5,784,038	176,248	14,285,848	6,100,317
Receivables, net of allowances:					
Services	1,991,707	2,708,384	-	4,700,091	-
Other	42,950	-	6,325	49,275	-
Inventory, at cost	165,468	-	-	165,468	-
Total Current Assets	16,979,489	16,594,467	182,573	33,756,529	6,100,317
Noncurrent Assets:					
Loans receivable	-	624,469	-	624,469	-
Investment in joint venture	3,693,034	-	-	3,693,034	-
Land, other assets and construction in progress, nondepreciable	1,353,519	1,120,870	3,952,293	6,426,682	-
Other capital assets	49,884,151	133,635,708	7,037,085	190,556,944	-
Less: Accumulated depreciation	(15,765,218)	(31,118,113)	(6,168,704)	(53,052,035)	-
Capital assets, net	35,472,452	103,638,465	4,820,674	143,931,591	-
Total noncurrent assets	39,165,486	104,262,934	4,820,674	148,249,094	-
Total Assets	56,144,975	120,857,401	5,003,247	182,005,623	6,100,317
Deferred Outflows of Resources:					
Deferred charge on refunding	39,165	73,978	-	113,143	-
Liabilities:					
Current Liabilities:					
Accounts payable	509,077	249,917	523	759,517	67,825
Accrued payroll	53,516	25,766	2,038	81,320	-
Accrued vacation and sick leave pay	96,755	44,231	4,586	145,572	-
Accrued interest payable	283,031	2,022,136	-	2,305,167	-
Current portion of revenue bonds payable	991,800	1,948,400	-	2,940,200	-
Claims payable	-	-	-	-	2,615,541
Other current liabilities	120,190	5,914	-	126,104	-
Total Current Liabilities	2,054,369	4,296,364	7,147	6,357,880	2,683,366
Current liabilities (payable from restricted assets):					
Deposits payable	663,662	-	785	664,447	-
Total Current Liabilities	2,718,031	4,296,364	7,932	7,022,327	2,683,366
Noncurrent Liabilities:					
Long-term portion of revenue bonds payable (net of unamortized premiums and discounts)	20,220,965	92,721,250	-	112,942,215	-
Noncurrent accrued vacation and sick leave pay	28,900	13,213	1,370	43,483	-
OPEB obligation	173,644	86,822	8,682	269,148	-
Total noncurrent liabilities	20,423,509	92,821,285	10,052	113,254,846	-
Total Liabilities	23,141,540	97,117,649	17,984	120,277,173	2,683,366
Net Position:					
Net investment in capital assets	13,588,165	23,555,747	4,820,674	41,964,586	-
Unrestricted	19,454,435	257,983	164,589	19,877,007	3,416,951
Total Net Position	\$ 33,042,600	\$ 23,813,730	\$ 4,985,263	\$ 61,841,593	\$ 3,416,951

CITY OF SAINT CHARLES, MISSOURI

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Business-Type Activities - Enterprise Funds				
	Major Enterprise Funds		Nonmajor Enterprise Fund	Total Enterprise Funds	Governmental Activities - Internal Service Funds
	Waterworks	Sanitary Sewer	Parking Facilities		
Operating Revenues:					
Metered water sales	\$ 9,015,282	\$ -	\$ -	\$ 9,015,282	\$ -
Sewer fees	-	11,615,272	-	11,615,272	-
Garage gate and surface parking lot collections	-	-	103,801	103,801	-
Charges for services	-	-	-	-	6,901,042
Other	405,204	92,472	-	497,676	25,329
Total Operating Revenues	9,420,486	11,707,744	103,801	21,232,031	6,926,371
Operating Expenses:					
Labor	2,127,310	1,094,512	84,657	3,306,479	-
Contracted services	467,750	2,425,552	2,400	2,895,702	-
Administrative and general	50,576	15,394	-	65,970	-
Purchased water	1,298,096	-	-	1,298,096	-
Utilities and fuels	356,460	662,189	438	1,019,087	-
Repairs and maintenance	349,739	82,474	22,454	454,667	-
Materials and supplies	725,365	87,242	523	813,130	-
Claims expense and insurance	-	-	-	-	7,851,888
Depreciation	1,661,582	4,645,894	290,030	6,597,506	-
Amortization	2,523	(8,436)	-	(5,913)	-
Other	442,559	438,560	58,450	939,569	-
Total Operating Expenses	7,481,960	9,443,381	458,952	17,384,293	7,851,888
Operating Income (Loss)	1,938,526	2,264,363	(355,151)	3,847,738	(925,517)
Nonoperating Revenues (Expenses):					
Investment income	8,655	6,311	219	15,185	6,660
Interest expense	(673,209)	(4,808,935)	-	(5,482,144)	-
Interest subsidy	76,584	1,290,373	-	1,366,957	-
Bond issue costs	(16,658)	(31,465)	-	(48,123)	-
Net (loss) gain on sale of capital assets	(79,514)	(2,336,319)	-	(2,415,833)	-
Equity loss in joint venture	(136,144)	-	-	(136,144)	-
Total Nonoperating Revenues (Expenses)	(820,286)	(5,880,035)	219	(6,700,102)	6,660
Income (Loss) Before Transfers and Capital Contributions	1,118,240	(3,615,672)	(354,932)	(2,852,364)	(918,857)
Transfers:					
Transfers in	6,513,497	-	3,775,293	10,288,790	-
Transfers out	(328,390)	(6,776,814)	-	(7,105,204)	(1,673,441)
Total Transfers	6,185,107	(6,776,814)	3,775,293	3,183,586	(1,673,441)
Net Income (Loss) Before Capital Contributions	7,303,347	(10,392,486)	3,420,361	331,222	(2,592,298)
Capital contributions	672,997	311,062	-	984,059	-
Change In Net Position	7,976,344	(10,081,424)	3,420,361	1,315,281	(2,592,298)
Net Position - Beginning of Year	25,066,256	33,895,154	1,564,902	60,526,312	6,009,249
Net Position - End of Year	\$ 33,042,600	\$ 23,813,730	\$ 4,985,263	\$ 61,841,593	\$ 3,416,951

CITY OF SAINT CHARLES, MISSOURI

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Business-Type Activities - Enterprise Funds				
	Major Enterprise Funds		Nonmajor Enterprise Fund	Total Enterprise Funds	Governmental Activities - Internal Service Funds
	Waterworks	Sanitary Sewer	Parking Facilities		
Cash Flows From Operating Activities:					
Cash received from customers	\$ 8,525,773	\$ 11,011,134	\$ 103,801	\$ 19,640,708	\$ -
Customer deposits received/(paid), net	63,200	-	(2,079)	61,121	-
Cash received from other funds for services provided	-	-	-	-	6,926,371
Other operating cash receipts/payments	409,694	92,472	(11,259)	490,907	1,166
Cash paid to employees for services	(2,150,933)	(1,066,454)	(82,217)	(3,299,604)	-
Cash payments to suppliers for goods and services	(3,517,683)	(3,860,663)	(83,750)	(7,462,096)	-
Cash payments for premiums and claims	-	-	-	-	(6,999,194)
Net Cash Provided By (Used In) Operating Activities	3,330,051	6,176,489	(75,504)	9,431,036	(71,657)
Cash Flows From Noncapital Financing Activities:					
Transfers (to) from other funds	6,185,107	(6,776,814)	3,431,745	2,840,038	(1,673,441)
Net Cash Provided By (Used In) Noncapital Financing Activities:	6,185,107	(6,776,814)	3,431,745	2,840,038	(1,673,441)
Cash Flows From Capital and Related Financing Activities:					
Proceeds from debt issuance	1,858,950	3,511,350	-	5,370,300	-
Payment to escrow agent on refunding of old debt	(2,438,100)	(4,692,300)	-	(7,130,400)	-
Payment for bond (premium), discount and issue costs	(105,073)	(14,597)	-	(119,670)	-
Principal paid on debt	(965,400)	(1,941,400)	-	(2,906,800)	-
Interest paid on debt	(970,884)	(5,028,512)	-	(5,999,396)	-
Interest subsidy	76,584	1,290,373	-	1,366,957	-
Payment on advance from other fund/loan repayments	-	5,085	-	5,085	-
Contributions from developers/governmental funds	672,997	311,062	-	984,059	-
Acquisition and construction of capital assets	(1,997,229)	(2,262,549)	(3,431,745)	(7,691,523)	-
Net Cash Used In Capital and Related Financing Activities	(3,868,155)	(8,821,488)	(3,431,745)	(16,121,388)	-
Cash Flows Provided By Investing Activities:					
Interest received on investments	8,655	6,311	219	15,185	6,660
Net (Decrease) Increase In Cash and Cash Equivalents	5,655,658	(9,415,502)	(75,285)	(3,835,129)	(1,738,438)
Cash and Cash Equivalents - Beginning of Year	9,123,706	23,301,585	251,533	32,676,824	7,838,755
Cash and Cash Equivalents - End of Year	\$ 14,779,364	\$ 13,886,083	\$ 176,248	\$ 28,841,695	\$ 6,100,317
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:					
Operating Income (loss)	\$ 1,938,526	\$ 2,264,363	\$ (355,151)	\$ 3,847,738	\$ (925,517)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	1,661,582	4,645,894	290,030	6,597,506	-
Amortization	2,523	(8,436)	-	(5,913)	-
Change in assets and liabilities:					
Increase in services receivable	(489,509)	(604,138)	-	(1,093,647)	1,166
(Increase) decrease in other receivable	4,490	-	(11,259)	(6,769)	-
Decrease in inventory	147,257	-	-	147,257	-
Decrease in prepaid expenses	-	-	-	-	-
Increase (decrease) in accounts payable	22,173	(152,434)	515	(129,746)	47,153
Decrease in accrued payroll	(3,967)	2,083	323	(1,561)	-
Decrease in claims payable	-	-	-	-	805,541
Increase in accrued vacation and sick leave pay	(33,085)	9,946	887	(22,252)	-
Increase in other post employment benefit obligation	13,429	16,029	1,230	30,688	-
Increase in deposits	63,200	-	(2,079)	61,121	-
Decrease in other liabilities	3,432	3,182	-	6,614	-
Net Cash Provided By (Used In) Operating Activities	\$ 3,330,051	\$ 6,176,489	\$ (75,504)	\$ 9,431,036	\$ (71,657)
Noncash Transactions Affecting Financial Position:					
Equity loss in joint venture	\$ (136,144)	\$ -	\$ -	\$ (136,144)	\$ -

CITY OF SAINT CHARLES, MISSOURI

**STATEMENT OF FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
DECEMBER 31, 2014**

	Post Retirement Benefits Trust Fund	Agency Funds
Assets:		
Cash and cash equivalents	\$ -	\$ 1,928,870
Investments, at fair value:		
Bond funds	1,836,155	-
Total Assets	1,836,155	1,928,870
Liabilities:		
Accounts payable	6,594	-
Due to other taxing districts	-	770,005
Deposits payable held in escrow	-	1,158,865
Total Liabilities	6,594	\$ 1,928,870
Net position held in trust for other post employment benefits	\$ 1,829,561	

CITY OF SAINT CHARLES, MISSOURI

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Post Retirement Benefits Trust Fund
Additions	
Contributions:	
Employer	\$ 606,177
Plan members	193,852
Total contributions	800,029
Investment income:	
Net appreciation (depreciation) of investments	114,812
Net investment income	114,812
Total Additions	914,841
Deductions:	
Benefits	737,818
Administration	90,286
Total Deductions	828,104
Change in Net Position	86,737
Net Position, Beginning of Year	1,742,824
Net Position, End of Year	\$ 1,829,561

CITY OF SAINT CHARLES, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014

1. Summary of Significant Accounting Policies

The City of Saint Charles, Missouri (the City), was incorporated as the Town of Saint Charles on November 2, 1809 by the Court of Common Pleas, District of Saint Charles. By an act of the General Assembly on March 10, 1849, it became the City of Saint Charles, Missouri, by special charter. The City now operates under a Home Rule Charter adopted in 1982 in accordance with the provisions of the Missouri Constitution and provides the following services: public safety (police and fire), public works/public improvements, water and sanitation, recreation, community development, planning and zoning and general administrative services.

The accounting policies and financial reporting practices of the City conform to accounting principles generally accepted in the United States of America (GAAP) applicable to governmental entities. The Government Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The more significant accounting and reporting policies established in GAAP and practiced by the City are discussed below.

The Financial Reporting Entity

The City defines its reporting entity to include all component units for which the City's governing body is financially accountable or closely related. The City is financially accountable if it appoints a voting majority of a potential component unit's governing body and is able to impose its will on that potential component unit, or the relationship must have the potential for creating specific financial benefits to, or impose specific financial burdens on, the City. The City's financial reporting entity consists of the City and its component unit. The component unit discussed below is included in the City's financial reporting entity because of the significance of its operational and financial relationship with the City.

Blended Component Unit

The following component unit is legally separate from the City; however, its activities are so intertwined with the City as the primary government that it is, in substance, the same as the primary government. As such, the balances and transactions of this component unit are blended into the basic financial statements and are reported in a manner similar to the balances and transactions of the City itself.

City of Saint Charles, Missouri, Public Facilities Authority (PFA)

The PFA is a not-for-profit corporation created by Ordinance of the City Council, organized and existing under the laws of the state of Missouri. Board members are appointed by the Mayor of the City for a three-year term and must be approved by City Council. The PFA's purpose is to provide financing for the purchase or construction of various assets for the sole benefit of the City. The PFA is accounted for as if it were part of the City's operations because it was established to provide benefits exclusively for the public facility needs of the City. Separate financial statements are not prepared for the PFA. During the year ended December 31, 2014, the PFA had no activity.

CITY OF SAINT CHARLES, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014

Joint Ventures

The City has entered into the following multi-governmental arrangements creating organizations that are owned, operated or governed by two or more participants as separate and specific activities subject to joint control, in which the City retains an ongoing financial interest or an ongoing financial responsibility.

Saint Peters-Saint Charles Water Pipeline Project (Water Pipeline Project)

The Water Pipeline Project was formed under the laws of the state of Missouri on October 2, 1985. The purpose of the Water Pipeline Project is to construct and operate a water pipeline and appurtenant facilities from the Howard Bend Treatment Plant, owned and operated by the City of Saint Louis, Missouri, to the separate facilities of the municipalities of Saint Peters, Missouri, and Saint Charles, Missouri, in order to adequately supply water by the pipeline to the citizens and businesses of the municipalities. The Water Pipeline Project is owned by the City of Saint Peters (31.8%) and the City of Saint Charles (68.2%). The City of Saint Peters is responsible for managing and accounting for the daily operations of the Water Pipeline Project, except when concurrence of both cities is required. Additional information regarding the Water Pipeline Project is provided in Note 15.

Convention Center Project

The City and the Saint Charles County Convention & Sports Facility Authority (the Authority) entered into a Convention Center Agreement (Cooperation Agreement) to contract and cooperate with each other and any private corporation for the planning, development, construction, acquisition or operation of a public improvement or facility as authorized under RSMo 710.210 to 70.320. Specifically, the Cooperation Agreement provides for the joint financing, construction and operation of a convention center facility and all related improvements.

The Authority will own an undivided 3/4 interest and the City will own an undivided 1/4 interest in the Convention Center Building. The City will retain ownership of the land for the project and lease the property to the Authority and to the Hotel Developer. Additional information regarding the Convention Center Project is provided for in Note 15.

Related Organization

The City's officials are also responsible for appointing members to the board of Saint Charles Housing Authority and the New Town Entertainment District, but the City's accountability for these organizations does not extend beyond making such appointments. Accordingly, these related organizations are not included as a component unit within the City's financial reporting entity.

CITY OF SAINT CHARLES, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014

Jointly Governed Organization

The City has entered into a multi-governmental arrangement creating the Saint Charles City-County Library Board, which is governed by representatives from each of the participating governments. This organization is not considered to be a joint venture as the City does not retain an ongoing financial interest in or responsibility for the organization. Additionally, this entity does not meet the criteria for inclusion as a component unit in the primary government's financial reporting entity. Accordingly, the Saint Charles City-County Library Board is considered a jointly governed organization.

Basis of Presentation

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds).

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. The effect of interfund activity has been removed from these statements, with the exception of interfund services provided and used. Governmental activities, which normally are supported by taxes, intergovernmental revenues and other nonexchange transactions, are reported separately from business type activities, which rely to a significant extent on fees and charges to external parties. The government-wide financial statements report net position in three parts – net investment in capital assets; restricted net position and unrestricted net position. The City first utilizes restricted resources to finance qualifying activities.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions, including special assessments. Taxes, unrestricted interest earnings and other items not properly included among program revenues are reported instead as general revenues. The government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

Fund Financial Statements

Following the government-wide financial statements are separate financial statements for governmental funds, proprietary funds and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All other governmental funds are reported in one column labeled "Other Governmental Funds". The total fund balances for all governmental funds is reconciled to total net position for governmental activities as shown on the statement of net position. The net change in fund balance for all governmental funds is reconciled to the total change in net position as shown on the statement of activities in the government-wide financial statements.

CITY OF SAINT CHARLES, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014

Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with self-balancing accounts. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. There are three categories of funds: governmental, proprietary and fiduciary.

Governmental Fund Type

Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income. The following are the City's major governmental funds:

General Fund - The general fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Street Construction Fund – The special street construction fund is used to account for the construction expenditures for projects which are funded by federal, state and county grants.

Neighborhood Improvement District (NID) Capital Projects Fund - The NID capital projects fund is used to account for the use of bond proceeds for infrastructure projects in the New Town Development, the Streets of St. Charles at Noah's Ark, and the New Town Gateway project.

Neighborhood Improvement District (NID) Debt Service Fund - The NID debt service fund is used to account for the accumulation of resources for, and the payment of long-term debt principal, interest and related costs for bonds issued for improvements to the New Town Development, the Streets of St. Charles at Noah's Ark and the New Town Gateway project.

The other governmental funds of the City are considered nonmajor. They are special revenue funds which account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes, debt service funds, which account for the accumulation of resources for the payment of long-term debt and capital project funds which account for financial resources to be used for acquisition or construction of capital facilities and a permanent fund which is used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used.

CITY OF SAINT CHARLES, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014

Proprietary Fund Type

Proprietary funds are used to account for activities that are similar to those found in the private sector. The measurement focus is on the determination of net income, changes in net position (or cost recovery), financial position and cash flows. The following are the City's Proprietary fund types:

Enterprise Funds - Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City has two enterprise funds which are considered major funds as follows:

Major Funds

Waterworks Fund - The waterworks fund is used to account for the collection of revenue and operating expenditures related to water services provided by the City for its customers.

Sanitary Sewer - The sanitary sewer fund is used to account for the collection of revenue and operating expenditures related to sanitary sewer services provided by the City for its customers.

Internal Service Funds - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City. The City's internal service fund reports on a self insurance program for workers' compensation, general liability and various other risk management services.

Fiduciary Fund Type – Trust and Agency Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. Trust funds are accounted for and reported similar to proprietary funds. The City's trust fund accounts for post-employment health care benefits provided to eligible retirees. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations. The City's agency funds account for performance bonds pledged by contractors, municipal court collections for bail bonds and the tax collection activities for the Mark Twain Mall Transportation Development District (TDD).

CITY OF SAINT CHARLES, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014**

Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets, deferred outflows/inflows or resources and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting; proprietary and fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue and in the presentation of expenses versus expenditures.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Enterprise Funds and Internal Service Fund are charges to customers for water, sewer and parking services for the Enterprise Funds and interfund services for the Internal Service Fund. Operating expenses for the Enterprise Funds and Internal Service Fund include the cost of sales or services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating revenue and expenses.

CITY OF SAINT CHARLES, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
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Revenues - Exchange and Nonexchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied (See Note 3). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. For the City, available means expected to be received within 60 days of year end, except for expenditure driven grants for which the availability period is one year.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: state-levied locally shared taxes (including gasoline tax), fines and forfeitures, licenses and permits, interest, grants and rentals.

Unearned Revenues

Unearned revenue arises when assets are recognized before revenue recognition criteria has been satisfied. Certain grants received before eligibility requirements are met are reported as unearned revenues.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. However, principal and interest on general long-term debt, which have not matured are recognized when paid. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

CITY OF SAINT CHARLES, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014**

Cash and Cash Equivalents and Investments

The proprietary fund types consider all highly liquid investments (including restricted assets) with maturity dates within three months when purchases to be cash equivalents.

Investments are carried at fair value. Fair value is based on quoted market prices as reported by the investment custodian.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond the fiscal year end are recorded as prepaid items.

Inventories

Purchases of materials and supplies in the governmental fund types are charged to expenditures as incurred. Amounts of inventories in such funds are immaterial. For the enterprise funds, inventories are recorded at cost using the first-in, first-out method and the expense is recognized when inventories are consumed in operations.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded, is employed within the governmental fund financial statements. Encumbrances outstanding at year-end do not constitute expenditures or liabilities and are reported as assigned fund balance to indicate that a portion of the fund balance is not available for subsequent appropriation.

Capital Assets

Capital assets, which include property, plant, equipment and prospectively reported infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of \$5,000 or more for general capital assets, \$250,000 or more for infrastructure and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

In accordance with the transitional provision of GASB Statement No. 34, general government infrastructure assets (streets, bridges, sidewalks) have been fully capitalized retroactively as of January 1, 2003.

CITY OF SAINT CHARLES, MISSOURI

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The costs of normal maintenance and repairs that do not enhance functionality or materially extend the life of an asset are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Building and improvements	10-50
Water and sewer lines	50
Streets, bridges and sidewalks	20-50
Furniture and other equipment	5-20
Vehicles	5-8
Computer equipment	5
Software	5
Land improvement	20
Outdoor recreation	20

A whole year of depreciation is taken in the year the assets are acquired or retired. Fully depreciated assets are included in the accounts until their disposal.

Accumulated Unpaid Vacation, Compensatory Time And Sick Leave

City employees earn vacation during the current year which must be taken in the subsequent year. Accrued vacation time is payable to employees upon termination. Accrued compensatory time is payable 100% to employees upon termination. Sick leave is vested and accumulated sick days (subject to a minimum of 12 days) are paid at 25% up to 120 days and 50% in excess of 120 days, not to exceed 30 days, and is payable upon termination.

Accumulated unpaid vacation, compensatory time and sick leave are accrued as earned. These amounts are recorded in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if the amounts due at year end have matured.

Other Post Employment Benefit (Asset) Obligation

The City calculates and records a net other post employment benefit (OPEB) asset or obligation in the government-wide and proprietary funds financial statements. The net OPEB asset or liability is, in general, the cumulative difference between the actuarial required contribution and the actual contributions since January 1, 2008, the date of implementation. The City is not required to and has elected not to retroactively implement GASB 45. Details relating to the City's postretirement health care benefits provided, OPEB asset or liability and its calculation are provided at Note 13.

CITY OF SAINT CHARLES, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014**

Long-Term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. The accounting for the proprietary fund is the same in the fund statements as it is in the government-wide statements.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide-statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

CITY OF SAINT CHARLES, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014

Interfund Transactions

In the fund financial statements, the City has the following types of transactions among funds:

Transfers

Legally required transfers are reported when incurred as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

Interfund Services Provided/Used

Charges or collections for services rendered by one fund for another are recognized as revenues (interfund services provided) of the recipient fund and expenditures or expenses (interfund services used) of the disbursing fund. These transactions are recorded as interfund services provided and used because they would be treated as revenues and expenditures or expenses if they involved organizations external to the City.

Certain internal payments are treated as program revenues, such as internal services provided and used. Certain internal payments are treated as a reduction of expense, such as reimbursements.

Elimination of interfund activity has been made for governmental activities in the government-wide financial statements.

Governmental Fund Balances

In the governmental fund financial statements the following classifications are used to define the governmental fund balances:

Nonspendable – This consists of the governmental fund balances that are not in spendable form or legally or contractually required to be maintained intact. The City's nonspendable fund balance consists of the principal of the cemetery trust fund and prepaid expenses.

Restricted – This consists of the governmental fund balances that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. The City's restricted fund balances consists of various taxes approved by voters for specific purposes, grants and sewer lateral program.

Committed – This consists of the governmental fund balances that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the City Council, the City's highest level of decision-making authority.

CITY OF SAINT CHARLES, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014

Assigned – This consists of governmental fund balances that are intended to be used for specific purpose by a) City Council or b) Mayor. The City's assigned fund balance includes special revenue fund purposes, capital projects, redevelopment, beautification and encumbrances that have not already been accounted for. The City's policy is to follow the authorization guidance established by GASB 54.

Unassigned – This consists of the governmental funds that do not meet the definition of "nonspendable," "restricted," "committed" or "assigned."

The City has enacted the following policy, by Resolution, in an effort to ensure financial security through the maintenance of a health reserve fund that guides the creation, maintenance, and use of resources for financial stabilization purposes. The City's primary objective is to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees due to temporary revenue shortfalls or unpredicted one-time expenditures. The City also seeks to maintain the highest possible credit ratings which are dependent, in part, on the City's maintenance of a healthy fund balance.

The fund balance of the City's General Fund has been accumulated to provide stability and flexibility to respond to unexpected adversity and/or opportunities.

The City's Fund Balance Policy is to maintain unrestricted fund balance of not less than 20% of annual operating expenditures and transfers out for the General Fund.

The City's basic goal is to maintain annual expenditure increases at a growth rate, and to limit expenditures to anticipated revenue in order to maintain a balanced budget. The decision to retain and unrestricted fund balance of not less than 20% of operating expenditures stems from the following:

- This amount demonstrates the City's commitment to conservative fiscal management.
- This amount provides adequate funding to cover approximately three months of operating expenses.
- This amount provides the liquidity to respond to contingent liabilities.

Net Position

In the government-wide financial statements, net position are displayed in three components as follows:

Net Investment in Capital Assets - This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvements of those assets.

Restricted - This consists of net position that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

CITY OF SAINT CHARLES, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
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Unrestricted - This consists of net position that do not meet the definition of “restricted” or “net investment in capital assets.”

Use of Restricted Resources

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the City’s policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the City’s policy is to first apply the expenditures toward restricted fund balance and then to other, less restrictive classifications – committed and then assigned fund balances before using unassigned fund balances.

Investment In Joint Venture

The City's investment in the Saint Peters-Saint Charles Water Pipeline Project (Joint Venture) is recorded on the equity method of accounting.

Estimates And Assumptions

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires the City to make estimates and assumptions that affect the reported amounts of assets and liabilities at fiscal year end and revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

2. Deposits And Investments

Investment Policy

The City's Director of Finance, or delegated finance department staff member, subject to review of the Director of Finance, is authorized to invest excess funds in any investments authorized by the City's investment policy. The City's investment policy authorizes the City to invest in the following instruments to provide maximum security of capital with the highest return on investment while meeting daily cash flow demands of the City and conforming to all Missouri state statutes governing the investment of public funds: United States Treasury obligations, United States Government Agency Securities and instrumentalities of government sponsored corporations, collateralized repurchase agreements, collateralized certificates of deposit and any full faith and credit obligations of the United States Government or the State of Missouri. Investments may be further restricted by trustee agreements for the City's various debt issues. As of December 31, 2014, all of the City's investments were in compliance with the City's investment policy.

CITY OF SAINT CHARLES, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
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The objectives of the City's investment policy, in order of priority as adopted by the City Council, are the following:

Legality:

Investments are limited to permissible instruments as per above.

Safety:

Investments shall be undertaken in a manner that seeks to ensure the preservation of the capital in the overall portfolio. Therefore, investments of a speculative nature are to be avoided. Additionally, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. The objective will be to mitigate credit and interest rate risks. Under no circumstances will the City invest in derivatives or allow the use of investments containing derivatives as collateral.

Liquidity:

The City's investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands.

Yield:

The City's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account investment risk constraints and liquidity needs. Return on investment is of least importance compared to the safety and liquidity objectives described above. The core of investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions: a declining credit security could be sold early to minimize loss of principal; a security swap would improve the quality, yield, or target duration in the portfolio or liquidity needs of the portfolio require that the security be sold.

CITY OF SAINT CHARLES, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
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As of December 31, 2014, the City's deposit and investment balances were as follows:

<u>Type</u>	<u>Fair Value</u>
Deposits:	
Demand deposits	\$ 39,758,448
Cash on hand	<u>32,650</u>
Total Deposits	<u>39,791,098</u>
Investments:	
Repurchase Agreement	2,500,000
United States agency securities	33,172,238
Money market funds	17,701,114
Bond Funds	<u>2,089,830</u>
Total Investments	<u>55,463,182</u>
 Total Deposits and Investments	 <u>\$95,254,280</u>
 Governmental cash and investments (restricted and unrestricted)	 \$ 62,647,560
Business-type cash and investments (restricted and unrestricted)	28,841,695
Fiduciary cash and investments	<u>3,765,025</u>
	<u>\$95,254,280</u>

Interest Rate Risk

To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. At all times the City should maintain a minimum of 5% of the total portfolio in highly marketable US Treasury Bills or overnight repurchase agreements. Generally, the City should purchase investments with maturities of less than five years. The City may invest up to 75% of the lesser of targeted or actual unreserved fund balance of certain funds in maturities greater than five years. Trustee agreements for the City's various debt issues may further restrict allowable maturities for those investments.

As of December 31, 2014, the City had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (In Years)</u>		
		<u>Less than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>
United States agency securities	\$ 33,172,238	\$ 19,170,056	\$ 14,002,182	\$ -
Money market funds	17,701,114	17,701,114	-	-
Bond funds	<u>2,089,830</u>	<u>2,089,830</u>	<u>-</u>	<u>-</u>
	<u>\$ 52,963,182</u>	<u>\$ 38,961,000</u>	<u>\$ 14,002,182</u>	<u>\$ -</u>

CITY OF SAINT CHARLES, MISSOURI

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Credit Risk

According to the City's investment policy, the City will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by only using those financial institutions that have been approved by the Director of Finance. Securities dealers not affiliated with a bank shall be required to have an office located in Missouri (preferably local) and be fully licensed and registered NASD broker/dealers. The City will also diversify the portfolio so that potential losses on individual securities will be minimized and all trades, where applicable, will be executed by delivery versus payment.

As of December 31, 2014, the City's credit ratings associated with their money market funds and United States agency securities were as follows:

<u>Investment Type</u>	<u>Standard & Poor's Rating</u>	<u>Moody's Investors Service Rating</u>
United States agency securities	-	Aaa
Money market funds	AAA	Aaa
Bond funds	Not rated	Not rated

Concentration of Credit Risk

According to the City's investment policy, the City's investments will be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of security. The following guidelines represent the maximum limits established for diversification by instrument:

<u>Diversification Of Instrument</u>	<u>Maximum Percent Of Portfolio</u>
United States Treasury obligations	100%
United States agency securities and instrumentalities of government sponsored corporations	100%
Certificates of deposit	10%
Repurchase agreements	25%

The City employs the "prudent person" standard, as defined in the policy, to determine the instrument type and maturity in which the City will invest its funds.

Concentration of credit risk is required to be disclosed by the City for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investment in mutual funds, investments in external investment pools and investments in other pooled investments). At December 31, 2014, the City had the following concentrations of credit risk required to be disclosed:

CITY OF SAINT CHARLES, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
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	Fair Value	Percentage of Total Investments
Federal National Mortgage Association	\$ 11,668,047	21.0%
Federal Home Loan Bank	\$ 5,982,076	10.8%
Federal Farm Credit Bank	\$ 7,994,869	14.4%
Federal Home Loan Mortgage Corporation	\$ 7,527,246	13.6%

Custodial Credit Risk

For investments, custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. In accordance with its policy, the City addresses custodial risk by pre-qualifying institutions with which the City places investments, diversifying the investment portfolio and maintaining a standard of quality for investments.

For deposits, custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to it. Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution, or by a single collateral pool established by the financial institution.

3. Property Tax

The City's property tax is levied annually, on or before September 1, based on the assessed valuation of property located in the City as of the previous January 1. Assessed valuations are established by the Saint Charles County Assessor. The City's 2014 tax rate was levied at \$0.9312 per \$100 of assessed valuation of which \$0.5380 is for general revenue purposes, \$0.2319 for public parks and \$0.1613 for the payment of principal and interest on general obligation bonds. Taxes are billed November 1, are due and collectible on December 31 and are delinquent and represent a lien on related property on January 1 of the following year. Taxes are billed, collected and remitted to the City by the Saint Charles County Collector.

CITY OF SAINT CHARLES, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
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4. Capital Assets

Capital asset activity for the year ended December 31, 2014:

	Balance January 1, 2014	Increases	Decreases	Balance December 31, 2014
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 30,187,777	\$ -	\$ -	\$ 30,187,777
Construction in Progress	15,966,686	14,662,339	13,931,696	16,697,329
Total Capital Assets, Not Being Depreciated	46,154,463	14,662,339	13,931,696	46,885,106
Capital Assets, Being Depreciated:				
Land improvements	19,687,088	53,514	2,391,108	17,349,494
Structures and improvements	45,179,746	7,593,488	-	52,773,234
Furniture, fixtures and equipment	31,391,809	1,598,133	1,798,316	31,191,626
Infrastructure	203,419,303	7,098,152	1,102,199	209,415,256
Total Capital Assets, Being Depreciated	299,677,946	16,343,287	5,291,623	310,729,610
Less - Accumulated Depreciation For:				
Land improvements	12,823,323	543,427	2,385,934	10,980,816
Structures and improvements	19,213,646	1,922,895	-	21,136,541
Furniture, fixtures and equipment	17,073,864	2,533,142	1,776,014	17,830,992
Infrastructure	82,670,240	6,679,714	221,455	89,128,499
Total Accumulated Depreciation	131,781,073	11,679,178	4,383,403	139,076,848
Total Capital Assets, Being Depreciated, Net	167,896,873	4,664,109	908,220	171,652,762
Governmental Activities, Capital Assets, Net	\$214,051,336	\$ 19,326,448	\$ 14,839,916	\$ 218,537,868

CITY OF SAINT CHARLES, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014

	Balance - January 1, 2014	Increases	Decreases	Balance - December 31, 2014
Business-Type Activities:				
Waterworks:				
Capital assets, not being depreciated:				
Land and land rights	\$ 223,228	\$ -	\$ -	\$ 223,228
Construction in progress (A)	5,175,556	1,964,065	6,009,330	1,130,291
Total capital assets not being depreciated	5,398,784	1,964,065	6,009,330	1,353,519
Capital assets, being depreciated:				
Buildings and improvements	40,719,122	6,540,183	292,192	46,967,113
Furniture, fixtures and equipment	3,252,443	175,309	510,714	2,917,038
Total capital assets being depreciated	43,971,565	6,715,492	802,906	49,884,151
Less: Accumulated depreciation for:				
Buildings and improvements	12,631,403	1,489,477	201,002	13,919,878
Furniture, fixtures and equipment	2,177,425	172,105	504,190	1,845,340
Total accumulated depreciation	14,808,828	1,661,582	705,192	15,765,218
Total capital assets being depreciated, net	29,162,737	5,053,910	97,714	34,118,933
Waterworks capital assets, net	34,561,521	7,017,975	6,107,044	35,472,452
Sanitary Sewer:				
Capital assets, not being depreciated:				
Land and land rights	218,059	-	-	218,059
Construction in progress	58,027,132	2,510,165	59,634,486	902,811
Total capital assets not being depreciated	58,245,191	2,510,165	59,634,486	1,120,870
Capital assets, being depreciated:				
Buildings and improvements	80,547,669	59,697,931	10,239,381	130,006,219
Furniture, fixtures and equipment	4,476,332	-	846,843	3,629,489
Total capital assets being depreciated	85,024,001	59,697,931	11,086,224	133,635,708
Less: Accumulated depreciation for:				
Buildings and improvements	32,970,034	4,340,295	8,061,660	29,248,669
Furniture, fixtures and equipment	2,252,090	305,599	688,245	1,869,444
Total accumulated depreciation	35,222,124	4,645,894	8,749,905	31,118,113
Total capital assets being depreciated, net	49,801,877	55,052,037	2,336,319	102,517,595
Sanitary Sewer capital assets, net	108,047,068	57,562,202	61,970,805	103,638,465
Parking Facilities:				
Capital assets, not being depreciated:				
Land	177,000	-	-	177,000
Construction in progress	-	3,775,293	-	3,775,293
Capital assets, being depreciated:	177,000	3,775,293	-	3,952,293
Buildings and improvements	6,921,114	-	-	6,921,114
Furniture, fixtures and equipment	115,971	-	-	115,971
Total capital assets being depreciated	7,037,085	-	-	7,037,085
Less: Accumulated depreciation for:				
Buildings and improvements	5,807,442	279,032	-	6,086,474
Furniture, fixtures and equipment	71,232	10,998	-	82,230
Total accumulated depreciation	5,878,674	290,030	-	6,168,704
Total capital assets being depreciated, net	1,158,411	(290,030)	-	868,381
Parking Facilities capital assets, net	1,335,411	3,485,263	-	4,820,674
Business-type activities, capital assets, net	\$ 143,944,000	\$ 68,065,440	\$ 68,077,849	\$ 143,931,591

(A) Includes capitalized interest totaling \$151,768.

CITY OF SAINT CHARLES, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
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Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General Government	\$ 1,005,276
Public works/improvements	7,290,644
Public Parks	1,101,900
Public Safety	1,646,968
Convention Center	<u>634,390</u>
Total depreciation expense - governmental-type activities	<u>\$11,679,178</u>
Business-type Activities:	
Waterworks	\$ 1,661,582
Sanitary Sewer	4,645,894
Parking Facilities	<u>290,030</u>
Total depreciation expense - business-type activities	<u>\$ 6,597,506</u>

5. Employees' Retirement System

The City participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri.

Plan Description

LAGERS is a defined benefit pension plan, which provides retirement, disability and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute section RSMo. 70.600-70.755. As such, it is LAGERS' responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt.

All full-time employees are eligible to participate in LAGERS. Benefits vest after five years of credited service. Employees who retire on or after age 60 (55 for police and fire) with five or more years of service are entitled to an allowance for life based upon the benefit program then in effect. Employees may retire with a reduced early retirement benefit after a minimum of five years of credited service and attaining age 55 (50 for police and fire).

LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334.

CITY OF SAINT CHARLES, MISSOURI

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Funding Policy

The City's full-time employees do not contribute to the pension plan. The City is required by state statute to contribute at an actuarially determined rate. The June 30th statutorily required contribution rates are 14.1% of annual covered payroll for general employees, 14.7% for police and 12.5% for fire employees. The contribution requirements of plan members are determined by the governing body of the City. The contribution requirements of the City are established by state statute.

Annual Pension Cost and Net Pension Obligation

The City's annual pension cost and net pension obligation for the year ended December 31, 2014 were as follows:

Annual required contribution	\$ 4,502,685
Interest on net pension obligation	126,693
Adjustment to annual required contribution	<u>(116,135)</u>
Annual pension cost	4,513,243
Actual contributions	<u>4,275,364</u>
Increase in NPO	237,879
Net pension obligation beginning of year	<u>1,909,583</u>
Net pension obligation end of year	<u><u>\$ 2,147,462</u></u>

The annual required contribution was determined as part of the February 29, 2012 and February 28, 2013 annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2014 included (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy table set back zero years for men and zero years for women and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back zero years for men and zero years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 29, 2012 was 18 years for General division and 30 years for police and fire divisions and February 28, 2013 was 16 years for General division, 21 years for the police division and 6 years for the fire division.

Historical Trend Information

Historical trend information about the City's participation in LAGERS, based on our annual reporting period of June 30th is presented below to help readers assess the plan's funding status on a going-concern basis and assess progress being made in accumulating assets to pay benefits when due.

CITY OF SAINT CHARLES, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014**

Three-Year Trend Information

<u>Year Ending</u>	<u>Annual Pension Costs (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
December 31, 2014	\$4,513,243	94.7%	\$2,147,462
December 31, 2013	4,348,225	94.9%	1,909,584
December 31, 2012	3,899,083	91.3%	1,688,322

Funded Status and Funding Progress

The funded status of the plan for the actuarial valuation as of February 28, 2014 is as follows:

<u>Year Ended December 31,</u>	<u>Actuarial Valuation Date</u>	<u>(a) Actuarial Value of Assets</u>	<u>(b) Entry Age Actuarial Accrued Liability</u>	<u>(b - a) Unfunded Accrued Liability (UAL)</u>	<u>(a/b) Funded Ratio</u>	<u>(c) Annual Covered Payroll</u>	<u>[(b-a)/c] UAL as a Percentage of Covered Payroll</u>
2014	2/28/2014	\$ 78,182,822	\$ 84,348,754	\$ 6,165,932	93%	\$ 29,910,048	21%

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value if plan assets is increasing or decreasing over time relative to the actuarial liability for benefits.

6. Obligations Under Lease Agreements

The City leases equipment under the terms of certain operating lease agreements with terms in excess of one year. Annual aggregate lease payments remaining under the terms of these operating lease agreements as of December 31, 2014 are as follows:

<u>Year</u>	<u>Amount</u>
2015	\$31,143
2016	28,442
2017	25,740
2018	24,840
2019	23,940
2020 - 2024	<u>67,140</u>
	<u>\$201,245</u>

Total operating lease rental expenditures of approximately \$46,443 for the year ended December 31, 2014 are included in contractual services expenditures of the respective funds.

CITY OF SAINT CHARLES, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014

8. Long-Term Liabilities

The following is a summary of changes in the City's long-term liabilities for the year ended December 31, 2014:

	Original Authorized/ Issued Amount	Balance - January 1, 2014	Additions	Retirements	Balance - December 31, 2014	Current Portion
Governmental Activities:						
Compensated Absences*	N/A	\$ 4,184,641	\$2,367,571	\$ 2,915,463	\$ 3,636,749	\$2,109,315
OPEB (asset) obligation	N/A	3,010,552	1,077,194	606,177	3,481,569	-
LAGERS net pension obligation	N/A	1,909,583	4,513,243	4,275,364	2,147,462	-
Capital leases*	1,197,858	2,109,614	-	220,680	1,888,934	227,013
General Obligation Bonds:						
General Obligation Bonds dated July 1, 2003, 2.95% - 3.55% payable in varying amounts through 2015	2,555,000	1,080,000	-	530,000	550,000	550,000
General Obligation Refunding Bonds dated February 1, 2006, 3.55% -4.05% payable in varying amounts through 2018	10,930,000	5,170,000	-	690,000	4,480,000	715,000
General Obligation Bonds dated March 5, 2013, 2.00% -3.00% payable in varying amounts through 2028	12,400,000	12,400,000	-	125,000	12,275,000	125,000
General Obligation Bonds dated September 3, 2013, 2.00% -4.00% payable in varying amounts through 2028	3,800,000	3,800,000	-	-	3,800,000	-
	29,685,000	22,450,000	-	1,345,000	21,105,000	1,390,000
Neighborhood Improvement District						
Special Assessment Debt With Governmental Commitment:						
Neighborhood Improvement District Limited General Obligation Bonds (New Town at St. Charles Infrastructure Project - Phase Ten Improvements Series 2008, dated December 3, 2008, 3.25% -4.75% payable in varying amounts through 2028	2,040,000	1,785,000	-	85,000	1,700,000	90,000
Neighborhood Improvement District Limited General Obligation Refunding Bonds (New Town at St. Charles Infrastructure Project - Phase One Series 2013A, dated February 20, 2013, 1.0% - 2.5% payable in varying amounts through 2024	2,395,000	2,375,000	-	215,000	2,160,000	220,000
Neighborhood Improvement District Limited General Obligation Refunding Bonds (New Town at St. Charles Infrastructure Project - Phase Two Series 2013B, dated February 20, 2013, 1.0% - 2.5% payable in varying amounts through 2024	4,320,000	4,280,000	-	355,000	3,925,000	360,000
Neighborhood Improvement District Limited General Obligation Refunding Bonds (New Town at St. Charles Infrastructure Project - Phase Three Series 2013C, dated February 20, 2013, 1.0% - 2.5% payable in varying amounts through 2024	1,810,000	1,800,000	-	145,000	1,655,000	150,000
Neighborhood Improvement District Limited General Obligation Bonds (New Town Gateway Infrastructure Project - Phase One Improvements) Series 2014, dated April 22, 2014, 2.0% - 3.9% payable in varying amounts through 2034	2,925,000	-	2,925,000	-	2,925,000	-

* The liability for compensated absences has historically been liquidated from the general fund, street maintenance and improvement fund, community development fund, sewer lateral program fund, park fund and tourism fund based on where employees are assigned. Capital leases are liquidated by the Capital Improvement Fund.

CITY OF SAINT CHARLES, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014

	Original Authorized/ Issued Amount	Balance - January 1, 2014	Additions	Retirements	Balance - December 31, 2014	Current Portion
Neighborhood Improvement District (Continued)						
Special Assessment Debt With Governmental Commitment:						
Neighborhood Improvement District						
Limited General Obligation Bonds (Streets of St. Charles Project) Series 2010A dated August 3, 2010, 1.0% - 4.0% payable in varying amounts through 2030	7,630,000	6,975,000	-	330,000	6,645,000	335,000
Neighborhood Improvement District						
Limited General Obligation Bonds (Streets of St. Charles Project) Series 2011A dated November 11, 2011, 2.0% - 4.0% payable in varying amounts through 2031	9,860,000	9,695,000	-	420,000	9,275,000	430,000
Neighborhood Improvement District						
Limited General Obligation Bonds (Streets of St. Charles Project) Series 2012 dated September 25, 2012, 2.0% - 3.1% payable in varying amounts through 2032	18,385,000	18,385,000	-	345,000	18,040,000	810,000
Neighborhood Improvement District						
Limited General Obligation Bonds (Streets of St. Charles Project) Series 2013, dated October 17, 2013, 2.0% - 4.2% payable in varying amounts through 2033	3,545,000	3,545,000	-	-	3,545,000	40,000
	<u>52,910,000</u>	<u>48,840,000</u>	<u>2,925,000</u>	<u>1,895,000</u>	<u>49,870,000</u>	<u>2,435,000</u>
Tax Increment Revenue Notes:						
Tax Increment Revenue Notes, Series 1998, (Elm Point - Lime Lagoon), 7% - 9%, maturing in October 2019	8,000,000	5,280,000	-	-	5,280,000	-
Tax Increment Revenue Notes, Series 2000, (Mark Twain Mall Bass Pro Shops Redevelopment Project), 9%, maturing in October 2015	12,200,000	2,131,000	-	1,269,000	862,000	-
Tax Increment Revenue Notes, Series 2005, (Fountain Lakes Redevelopment Project), 7%, maturing in March 2020	14,590,000	8,810,000	-	1,710,000	7,100,000	-
	<u>34,790,000</u>	<u>16,221,000</u>	<u>-</u>	<u>2,979,000</u>	<u>13,242,000</u>	<u>-</u>
Certificates of Participation:						
Certificates of Participation, Series 2009, (Refunded PFA Leasehold Revenue Bonds, Series 1997), 1.5% - 3.4%, maturing in February 2017	23,445,000	2,683,600	-	2,683,600	-	-
Certificates of Participation, Series 2010, (Refunded Certificates of Participation, Series 2003 - Art Foundry Center), 3.0% - 5.0%, maturing February 2023	1,185,000	1,020,000	-	85,000	935,000	85,000
Certificates of Participation, Series 2012, (Refunded Certificates of Participation, Series 2003B - Convention Center), 2.0% - 3.0%, maturing May 2024	28,105,000	24,545,000	-	1,765,000	22,780,000	1,885,000
Certificates of Participation, Series 2014, (Refunded Certificates of Participation, Series 2009), 2.0%, maturing in February 2017	1,514,700	-	1,514,700	24,200	1,490,500	734,800
	<u>54,249,700</u>	<u>28,248,600</u>	<u>1,514,700</u>	<u>4,557,800</u>	<u>25,205,500</u>	<u>2,704,800</u>
	<u>\$171,634,700</u>	<u>\$126,973,990</u>	<u>\$12,397,708</u>	<u>\$18,794,484</u>	<u>\$ 120,577,214</u>	<u>\$8,866,128</u>
Add: Unamortized premium (discount), net					<u>919,529</u>	
Total Governmental Activities					<u>\$ 121,496,743</u>	

CITY OF SAINT CHARLES, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
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	Original Authorized/ Issued Amount	Balance - January 1, 2014	Additions	Retirements	Balance - December 31, 2014	Current Portion
Business-Type Activities:						
Compensated absences	N/A	\$ 211,307	\$ 170,998	\$ 193,250	\$ 189,055	\$ 145,572
OPEB obligation	N/A	238,460	30,688	-	269,148	-
Certificates of Participation:						
Certificates of Participation, Series 2009, (Refunded PFA Leasehold Revenue Bonds, Series 1997) 1.25% - 3.4% payable in varying amounts through 2017	23,445,000	9,636,400	-	9,636,400	-	-
Refunding Certificates of Participation, Series 2014, (Refunded Certificates of Participation, Series 2009) 2.0% payable in varying amounts through 2017	5,370,300	-	5,370,300	85,800	5,284,500	2,605,200
Refunding Certificates of Participation, Series 2010, (Refunded Leasehold Revenue Bonds, Series 2002A and 2002B of the PFA), 3.0% - 5.0%, payable in varying amounts through 2023	28,580,000	27,975,000	-	315,000	27,660,000	335,000
Certificates of Participation, Series 2010A, (Water and Sewer Improvements) dated September 1, 2010, 2.35% - 4.6%, payable in varying amounts through 2030	11,975,000	11,975,000	-	-	11,975,000	-
Certificates of Participation, Series 2010B, (Water and Sewer Improvements) dated September 1, 2010, 5.65% - 5.75%, payable in varying amounts through 2039	73,695,000	73,695,000	-	-	73,695,000	-
	143,065,300	123,281,400	5,370,300	10,037,200	118,614,500	2,940,200
	<u>\$ 143,065,300</u>	<u>\$ 123,731,167</u>	<u>\$ 5,571,986</u>	<u>\$ 10,230,450</u>	<u>\$ 119,072,703</u>	<u>\$ 3,085,772</u>
Add: Unamortized premium, net					1,010,065	
Less: Unaccreted capital appreciation bonds					(3,742,150)	
Total Business-Type Activities					<u>\$ 116,340,618</u>	

CITY OF SAINT CHARLES, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014**

Debt Service Requirements To Maturity

The annual principal requirements to maturity of bonded debt outstanding as of December 31, 2014 are as follows:

Year Ending December 31,	Governmental Activities		Business-Type Activities		Total Debt Service Requirements	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 6,529,800	\$ 2,753,844	\$ 2,940,200	\$ 5,497,976	\$ 9,470,000	\$ 8,251,820
2016	6,999,100	2,491,627	3,215,900	5,428,415	10,215,000	7,920,042
2017	6,506,600	2,331,173	3,583,400	5,331,547	10,090,000	7,662,720
2018	6,775,000	2,163,325	4,060,000	5,199,513	10,835,000	7,362,838
2019	6,795,000	1,992,515	4,455,000	5,035,988	11,250,000	7,028,503
2020-2024	35,160,000	7,102,403	26,165,000	21,875,069	61,325,000	28,977,472
2025-2029	19,880,000	2,885,279	24,115,000	16,765,589	43,995,000	19,650,868
2030-2034	7,535,000	414,064	25,255,000	10,596,803	32,790,000	11,010,867
2035-2039	-	-	24,825,000	3,675,544	24,825,000	3,675,544
	<u>\$ 96,180,500</u>	<u>\$ 22,134,230</u>	<u>\$ 118,614,500</u>	<u>\$ 79,406,444</u>	<u>\$ 214,795,000</u>	<u>\$ 101,540,674</u>

General Obligation Bonds

General obligation bonds are supported by a pledge of the City's full faith and credit. These bonds, which are reported in the government-wide statement of net position, were issued to finance various capital projects. \$3,881,190 is available in the City's General Obligation Debt Service Fund to repay general obligation bonds. The remainder of the general obligation bonds are to be repaid from future property tax levies.

In prior years, the City used monies available in their Debt Service Fund to defease a portion of the outstanding principal on the General Obligation Bonds, Series 2006, scheduled to mature March 1, 2013 through 2017. At December 31, 2014, the outstanding balance of this defeased debt and debt defeased in a prior year is \$2,140,000.

Neighborhood Improvement District Bonds (Special Assessment Debt With Governmental Commitment)

In 1994, State legislation was adopted permitting the formation of special assessment areas, known as Neighborhood Improvement Districts, to finance local public improvements (the NID Act). The improvements are financed by bonds which are retired by assessments levied on those specific properties which benefit from the improvements. To the extent assessments are insufficient to retire the NID Bonds, the City is obligated to pay for debt service with available funds of the City. The City is not authorized to levy a City-wide property tax to pay the NID Bonds. These bonds are supported by a pledge of the City's full faith and credit.

CITY OF SAINT CHARLES, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014

The 2013A, 2013B, 2013C and 2008 bonds, which are reported in the government-wide statement of net position, were issued to finance various infrastructure projects benefiting the New Town at Saint Charles Neighborhood Improvement District (the District) Phases One - Ten created by the City. The City's Neighborhood Improvement District Debt Service Fund, has \$2,469,574, available to repay these bonds. The bonds will be repaid from future special assessments to be assessed on certain real property benefited by the Improvements.

The 2010, 2011, 2012, and 2013 bonds, which are reported in the government-wide statement of net position, were issued to finance various infrastructure projects benefiting the Streets of Noah's Ark, Phase one, two (a), two (b) and three improvements. The City's Neighborhood Improvement District Debt Service Fund has \$5,644.080 available to repay these bonds. The bonds will be repaid from future special assessments to be assessed on certain real property benefited by the improvements.

The 2014 bonds, which are reported in the government-wide statement of net position, were issued to finance various infrastructure projects benefiting the New Town Gateway, Phase one improvements. The City's Neighborhood Improvement District Debt Service Fund has \$303,819 available to repay these bonds. The bonds will be repaid from future special assessments to be assessed on certain real property benefited by the improvements.

Tax Increment Revenue Notes Payable

The City has entered into agreements to issue tax increment revenue notes for the purpose of paying a portion of the redevelopment costs in connection with several tax increment financing district redevelopment plans. The notes are payable solely from payments in lieu of taxes attributable to the increase in assessed value of real property in the project area and additional economic activity taxes with no specific debt service requirements, and do not constitute a general obligation of the City. The obligations of the City with respect to these notes terminate on the maturity dates specified above, whether or not the principal amount or interest thereon has been paid in full.

In 2014, the Tax Increment Revenue Notes Series 2005 were reissued with a change in payment terms. The notes now mature in 2020. The City recognized a gain on the transaction in the amount of \$828,000.

Certificates of Participation

Certificates of Participation evidence proportionate ownership interest in the right to receive rental payments to be paid by the City under various lease/purchase agreements. The American Recovery and Reinvestment Act of 2009 authorizes the City to issue taxable obligations known as "Build America Bonds" to finance capital expenditures for which it could otherwise issue tax-exempt obligations and to elect to receive a subsidy payment, on each payment date, from the United States Treasury equal to 35% of the amount of each interest payment on the Build America Bonds.

CITY OF SAINT CHARLES, MISSOURI

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In 2014, the City issued Refunding Certificates of Participation, Series 2014, to current refund \$9,120,000 of outstanding Certificates of Participation, Series 2009. The current refunding transaction reduced total debt service payments by approximately \$280,000 and resulted in an economic gain (difference between present values of the debt service payments on the old and new debt) of approximately \$180,000.

Public Facilities Authority (PFA) Leasehold Revenue Bonds

On September 10, 1985, the PFA was formed as a Missouri not-for-profit corporation. The purpose of the PFA is to facilitate the acquisition and construction of certain capital improvements and facilities solely for the benefit of the City of Saint Charles, Missouri.

Funding of such capital improvements and facilities has been provided through the issuance of leasehold revenue bonds. Concurrent with the issuance of the bonds discussed below, the City entered into lease agreements, whereby the assets acquired or constructed by the PFA have been leased to the City. The leases terminate each June 30 and can be renewed for additional one-year periods up to a maximum of twenty years. At the end of the 20-year period, the assets are intended to become the property of the City. Lease payments by the City are to be sufficient at all times to pay the total amount of interest and principal (whether at maturity, by acceleration or by redemption as provided in the bond indenture) and premium, if any, on the leasehold revenue bonds as they become due.

The leasehold revenue bonds do not constitute a legal debt or liability for the City, the state of Missouri or for any political subdivision thereof and do not constitute indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The issuance of the leasehold revenue bonds does not obligate the City to levy any form of taxation, therefore, or to make any appropriation for their payment in any fiscal year. The PFA has no taxing power. The activities and accounts of the PFA have been blended into the City's various fund types and account groups. Because the primary purpose of the PFA is to issue debt to fund the acquisition or construction of assets to be leased to the City, and use the lease payments to repay the debt, the assets and liabilities of the PFA are reported as a form of the City's assets and liabilities.

In June 2002, the PFA issued \$37,250,000 in Leasehold Revenue Bonds (Series 2002A, B & C) to provide funds for repairing streets, acquiring land, constructing improvements to the police station, making improvements to city hall, acquiring certain vehicles and constructing improvements to waterworks and sewerage systems of the City. The debt relating to the Series 2002 A, B & C bonds has been recorded in the governmental activities of the statement of net position, the Waterworks fund and the Sanitary Sewer fund. During 2010, the City refunded the bonds with the Series 2010 Refunding Certificates of Participation. As a result, the debt was removed from the PFA and the related assets were transferred to the City on the redemption date, February 1, 2011.

CITY OF SAINT CHARLES, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014

Conduit Debt

The City has issued debt for economic development from time to time. This debt was issued for the benefit of third parties and the City has no obligation beyond the initial lease or loan, which has been assigned to various financial or banking entities. Debt outstanding of this nature includes taxable industrial revenue bonds of \$16,126,750 as follows:

MiTek Industries, Inc, (Series 2009)	\$7,126,750
Gateway RE I, Inc. (Series 2014)	\$6,500,000
Pharma Medica Research Inc.(Series 2014)	\$2,500,000

Bond Restrictions

The Series 2010B, and 2012 Certificates of Participation have debt service reserve restriction requirements in amounts equal to \$6,487,410 and \$2,810,500 respectively. Authorized expenditures from these reserves include payments of principal and interest only when funds are not available in the bond fund. As of December 31, 2014, the City's debt service reserve meet or exceed the required reserve.

Legal Debt Margin

Under the statutes of the State of Missouri, the limit of bonded indebtedness is 10% of the most recent assessed valuation. This does not include an additional debt limit of 10% assessed valuation available for street improvements or waterworks and electric plants as provided under the statutes of the State of Missouri. The computation is as follows:

Assessed valuation - 2014 tax year	<u>\$1,247,297,859</u>
Debt limit -10% of assessed valuation	<u>\$ 124,729,786</u>
Amount of debt applicable to debt limit:	
Total general obligation bonded debt (1)	70,975,000
Less: Amount available in debt service funds	<u>(12,575,071)</u>
Bond indebtedness applicable to debt limit	<u>58,399,929</u>
Legal debt margin	<u>\$ 66,329,857</u>

- (1) The table includes the NID Bonds. The NID Act and the constitutional provision authorizing neighborhood improvement districts expressly provide a debt limitation of 10% of the issuer's then-current assessed valuation. *Spradlin v. Fulton* raised, but did not answer the question of whether the NID Act and constitutional authorization established a debt limit independent of other general obligation debt limitations. Accordingly, at this time, NID Bonds are computed as part of the general debt limitation.

CITY OF SAINT CHARLES, MISSOURI

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Capital Lease Agreements

At December 31, 2014, the City is obligated under three leases that are classified as capital leases.

The City entered into a lease purchase agreement for various fire department equipment and related installation. The lease is for a total of \$286,888 and calls for annual payments of approximately \$46,308. The final payment under the lease is due November 2018.

The City entered into a lease purchase agreement for various fire department equipment and related installation. The lease is for a total of \$910,970 and calls for annual payments of approximately \$112,599, with a final balloon payment in the amount of \$284,239 due March 2019.

The City entered into a lease purchase agreement for various fire department equipment and related installation. The lease is for a total of \$1,068,113 and calls for annual payments of approximately \$121,160, with a final balloon payment in the amount of \$338,866 due May 2020.

The equipment purchased under capital leases is included in capital assets in the government-wide financial statements, net of accumulated depreciation. As of December 31, 2014, the total cost is \$2,421,592 and total accumulated depreciation is \$747,600. Future minimum lease payments under capital leases described are as follows:

<u>For the Year Ending December 31,</u>	<u>Amount</u>
2015	\$280,067
2016	280,067
2017	280,067
2018	280,067
2019	233,759
2020 - 2023	<u>744,265</u>
Total future minimum lease payments	2,098,292
Less amount representing interest	<u>(209,358)</u>
Present value of future minimum lease payments	<u>\$1,888,934</u>

CITY OF SAINT CHARLES, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014**

9. Allowance For Uncollectible Accounts

The City's allowance for estimated uncollectible receivables at December 31, 2014 is as follows:

	<u>Taxes Receivable</u>	<u>Services Receivable</u>
Major Governmental Fund - General	\$ 151,400	\$ 279,500
Nonmajor Special Revenue Fund - Park	65,200	-
Nonmajor Debt Service Fund - General		
Obligation Debt Service Fund	45,400	-
Major Enterprise Funds:		
Waterworks	-	82,000
Sanitary sewer	<u>-</u>	<u>116,000</u>
Total	<u>\$ 262,000</u>	<u>\$ 477,500</u>

10. Restricted Net Position

The following net position were reported as restricted:

	<u>Governmental Activities</u>
Restricted for capital projects:	
Capital improvement fund	<u>\$ 4,925,881</u>
Restricted for debt service:	
General Obligation Bonds	\$ 3,807,365
Neighborhood Improvement District	
Limited General Obligation Bonds	<u>16,683,483</u>
	<u>\$ 20,490,848</u>
Restricted for other purposes:	
Street maintenance and improvement	\$ 3,182,473
Community development	3,075,614
Sewer lateral projects	1,729,514
Parks	2,749,836
Cemetery - expendable	362,842
Cemetery - non-expendable	233,912
Tourism	2,337,678
Special business district	227,432
DWI drug enforcement	85,766
DAG forfeiture	122,263
	<u>\$ 14,107,330</u>

CITY OF SAINT CHARLES, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014**

11. Interfund Balances And Transfers

The following represents a reconciliation of transfers between fund types and individual funds for the year ended December 31, 2014:

	<u>Transfers From</u>	<u>Transfers To</u>	<u>Net Transfers</u>
Major Governmental Funds:			
General	\$ 1,268,382	\$ 2,318,944	\$ 1,050,562
NID Capital Projects	-	208,287	208,287
Nonmajor Governmental Funds:			
General Obligation Debt Service	125,897	-	(125,897)
Street Maintenance and Imp	43,905	41,978	(1,927)
Community Development	72,799	-	(72,799)
Tax Increment Financing (TIF)	730,489	-	(730,489)
Convention Center	-	730,489	730,489
Parks	-	81,938	81,938
Tourism	115,385	55,377	(60,008)
Cemetery Perpetual Care	1,000	-	(1,000)
Capital Improvement	16,417	2,500,000	2,483,583
General Obligation Capital Projects	3,333,540	-	(3,333,540)
Street Construction	2,691,870	1,268,382	(1,423,488)
Major Facilities	315,856	-	(315,856)
Major Enterprise Funds:			
Waterworks	328,390	6,513,497	6,185,107
Sanitary sewer	6,776,814	-	(6,776,814)
Nonmajor Enterprise Fund:			
Parking Facilities	-	3,775,293	3,775,293
Internal Service Fund:	<u>1,673,441</u>	<u>-</u>	<u>(1,673,441)</u>
	<u>\$17,494,185</u>	<u>\$17,494,185</u>	<u>\$ -</u>

Interfund transfers were used to move resources from the fund budgeted to collect, to the fund the budget requires to expend them; to provide additional resources for debt service; to provide funding for certain capital improvement projects; and to cover administrative support.

CITY OF SAINT CHARLES, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014**

Interfund receivable/payable balances as of December 31, 2014 are as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Major Governmental Fund:		
General	\$5,450,444	\$ -
Special street construction	-	5,450,444
Nonmajor Governmental Funds	<u>90,681</u>	<u>90,681</u>
	<u>\$5,541,125</u>	<u>\$5,541,125</u>

The Special Street Construction Fund owes the General Fund for overdraws of pooled cash as of December 31, 2014.

12. Commitments And Contingencies

Litigation

The City is a defendant in a number of lawsuits pertaining to matters which are incidental to performing routine governmental and other functions. Based on the current status of all these legal proceedings, it is the opinion of management that they will not have a material effect on the City's financial position.

Federal Grants

Under the terms of federal grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursements to the grantor agencies. It is the opinion of management that such reimbursements, if any, will not have a material effect on the City's financial position.

Other Commitments And Contingencies

During a previous year, the City entered into an agreement with Saint Charles County, Missouri (the County), for the purpose of developing an arena. Under the agreement, the City agreed to contribute \$300,000 annually, through December 2025, subject to certain conditions including meeting certain sales revenue thresholds.

CITY OF SAINT CHARLES, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014**

Encumbrances

Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General Fund	\$ 89,556
Special Street Construction	784,774
NID capital projects	407
NID debt service	8,182
Nonmajor governmental funds	<u>7,643,496</u>
Total Governmental Funds	<u>\$ 8,526,415</u>

13. Post Retirement Health Care Benefits

Plan Description

In addition to providing the pension benefits described in Note 5, the City provides an opportunity for continuation of medical insurance coverage to employees who have attained the age of 50 and who have 20 years of service. Employees with 15 years of service who meet the LAGERS disability requirement are allowed to continue coverage by paying the required premium. Retirees who elect to participate must pay the required premium in effect for the current plan year or any subsequent year at the premium rates in effect at that time. For retirees who retired prior to February 1, 2012, the City will pay 80% of retiree premium and 40% of the spouse premium. For retirees who retired on or after February 1, 2012, the City pays a fixed dollar amount towards the premiums based on years of service. Employees hired on or after February 1, 2012 will be allowed to continue coverage under the City's medical, dental, and vision plans by paying 1.5 times the COBRA rates.

Medicare eligible retirees are reimbursed for up to \$125 per month for the purchase of Medicare Supplement Insurance. Spouses are not covered past age 65. The benefit is payable immediately upon retirement and continues for the life of the retiree, as long as the retiree pays the monthly premium amount. Spouses can continue to be covered in retirement as long as the retiree continues to be eligible for coverage. Spouses can continue coverage by paying the required premium following the loss of coverage by the retiree. Spouses are not eligible for the Medicare supplement reimbursement. Employees who retired prior to September 1, 2002 had varying levels of postretirement health care benefits of a lesser amount than what is currently provided.

Since the retirees pay a premium for each year, the City share of any premium cost is determined on the basis of a blended rate or implicit rate subsidy calculation. The plan is a single-employer defined benefit OPEB plan. The benefits and benefit levels are governed by City policy. During 2013 and 2014, the plan is accounted for as a trust fund since an irrevocable trust has been established. A stand-alone financial report is not available for the plan.

CITY OF SAINT CHARLES, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014**

Membership consisted of the following at January 1, 2014, the date of the latest actuarial valuation:

Active plan member	419
Retired (with medical coverage)	116
Spouses of retirees (with medical coverage)	<u>32</u>
Total	<u>567</u>

Funding Policy

The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the City; however, the City has no obligation to contribute to the Plan on an annual basis. For the fiscal year 2014, the City contributed \$606,177 to the Plan for current premiums and claims. Plan members receiving benefits contributed \$193,852 of the total premiums and claims, through required contributions based on their years of service.

Annual OPEB Cost and Net OPEB Obligation

The City's OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), and amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB (asset) obligation, as of December 31, 2014:

Annual required contribution	\$ 1,098,400
Interest on net OPEB obligation	129,992
Adjustment to annual required contribution	<u>(120,509)</u>
Annual OPEB cost	1,107,883
Contributions made	<u>(606,177)</u>
Increase in net OPEB obligation	501,706
Net OPEB obligation - beginning of year	<u>3,249,012</u>
Net OPEB obligation - end of year	<u>\$ 3,750,718</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012, 2013 and 2014 is as follows:

Year Ended December 31,	Annual OPEB Cost	Actual Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB (Asset) Obligation
2012	\$ 1,347,416	\$ 625,739	46.44%	\$ 2,508,700
2013	\$ 1,349,522	\$ 609,210	45.14%	\$ 3,249,012
2014	\$ 1,107,883	\$ 606,177	54.71%	\$ 3,750,718

CITY OF SAINT CHARLES, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2014

Funded Status and Funding Progress

As of January 1, 2014, the most recent actuarial valuation date, the plan was prefunded. The actuarial accrued liability for benefits was \$13,943,000, and the actuarial value of assets was \$1,742,824, resulting in an unfunded actuarial accrued liability (UAAL) of \$12,200,176. As of January 1, 2014, the covered payroll (annual payroll of active employees covered by the plan) was \$32,100,000, and the rate of the UAAL to the covered payroll was 38 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress is presented below:

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2014, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4 percent investment rate of return assuming the benefits are prefunded. The discount rate (4 percent) is based on the expected earnings of the City's retiree medical trust fund established in 2009. Payroll is assumed to increase at a rate of 3 percent per annum. The medical inflation rate was initially 5.7 percent and will reduce to an ultimate inflation rate of 4.5 percent over a 79 year period. The healthcare trends used in the valuation are based on long term healthcare trends generated by the Getzen Model, which is the current industry standard for projecting long term medical trends. The Medicare supplement reimbursement is not assumed to increase. The health mortality is based on the RP 2000 Mortality Table (employee and healthy annuitant tables). The amortization period of the unfunded Actuarial Accrued Liability (AAL) is 30 years. The remaining amortization period at December 31, 2014, was 25 years. This is a closed group projection; no new hires after the valuation date are assumed in the projection.

CITY OF SAINT CHARLES, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014**

14. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City utilizes the self insurance internal service fund to account for and finance its uninsured risk of loss. The following types of insurance are provided by the self insurance internal service fund: general liability, property and casualty, workers' compensation and effective February 1, 2008, medical and hospitalization benefits to City employees. The City purchases commercial insurance for claims in excess of coverage provided by the internal service fund and for all other risks of loss. Settlement claims have not exceeded this commercial insurance coverage in any of the past three years.

All funds of the City participate in the program and make payments to the self insurance internal service fund based on both exposure and experience factors. Premiums include amounts needed to pay prior and current-year claims. Claim liabilities are established based on estimates of the ultimate costs of claims (including future expenses) that have been reported but not settled and of claims incurred and not reported. The outstanding claims liability recorded in the internal service fund was \$2,615,541 at December 31, 2014 and is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the general purpose financial statement indicates that it is probable that a liability has been incurred at the date of the general purpose financial statements and the amount of the loss can be reasonably estimated.

CITY OF SAINT CHARLES, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014**

Changes in the internal service fund claims liability for the years ended December 31, 2013 and December 31, 2014 are as follows:

	<u>Workers'</u> <u>Compensation</u>	<u>General</u> <u>Liability</u>	<u>Medical And</u> <u>Hospitalization</u> <u>Benefits</u>	<u>Total</u>
Claims liability at December 31, 2012	<u>\$ 700,000</u>	<u>\$ 700,000</u>	<u>\$ 830,000</u>	<u>\$ 2,230,000</u>
Incurring claims and claim adjustment expense:				
Provision for insured events of 2013	338,335	368,087	4,899,130	5,605,552
Increase (decrease) in provision for insured events of prior years	<u>(200,768)</u>	<u>726,592</u>	<u>-</u>	<u>525,824</u>
Total incurred claims and claim adjustment expenses	<u>137,567</u>	<u>1,094,679</u>	<u>4,899,130</u>	<u>6,131,376</u>
Payments:				
Claims and claim adjustment expenses attributable to insured events of 2013	163,195	182,255	4,397,944	4,743,394
Claims and claim adjustment expenses attributable to insured events of prior years	<u>174,372</u>	<u>1,212,424</u>	<u>421,186</u>	<u>1,807,982</u>
Total payments	<u>337,567</u>	<u>1,394,679</u>	<u>4,819,130</u>	<u>6,551,376</u>
Claims liability at December 31, 2013	<u>500,000</u>	<u>400,000</u>	<u>910,000</u>	<u>1,810,000</u>
Incurring claims and claim adjustment expense:				
Provision for insured events of 2014	808,393	808,663	4,427,895	6,044,951
Increase (decrease) in provision for insured events of prior years	<u>(36,762)</u>	<u>64,489</u>	<u>589,621</u>	<u>617,348</u>
Total incurred claims and claim adjustment expenses	<u>771,631</u>	<u>873,152</u>	<u>5,017,516</u>	<u>6,662,299</u>
Payments:				
Claims and claim adjustment expenses attributable to insured events of 2014	408,436	290,897	4,277,311	4,976,644
Claims and claim adjustment expenses attributable to insured events of prior years	<u>163,195</u>	<u>182,255</u>	<u>534,664</u>	<u>880,114</u>
Total payments	<u>571,631</u>	<u>473,152</u>	<u>4,811,975</u>	<u>5,856,758</u>
Claims liability at December 31, 2014	<u>\$ 700,000</u>	<u>\$ 800,000</u>	<u>\$ 1,115,541</u>	<u>\$ 2,615,541</u>

The City considers the \$2,615,541 claims liability to be a current liability.

CITY OF SAINT CHARLES, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014**

15. Joint Ventures

Saint Peters-Saint Charles Water Pipeline Project:

The Saint Peters-Saint Charles Water Pipeline Project operates a water pipeline and appurtenant facilities from the Howard Bend Treatment Plant, owned and operated by the City of Saint Louis, Missouri, to the separate facilities of the municipalities of Saint Peters, Missouri, and Saint Charles, Missouri (Owners), in order to adequately supply water to the citizens and businesses of the municipalities.

The Water Pipeline Project is owned by the City of Saint Peters, Missouri (31.8%) and the City of Saint Charles, Missouri (68.2%). The Water Pipeline Project receives all of its operating revenue from the water it sells to the Owners. The cumulative investment in the Water Pipeline Project by the City of Saint Charles, Missouri, through December 31, 2014 includes its proportionate share of water pipeline construction costs and an initial contribution to a water pipeline maintenance fund. Under terms of the Water Pipeline Project agreement, additional contributions to maintain the water pipeline maintenance fund at an agreed upon base amount may be required. The current base amount is \$500,000, which may be increased to a maximum of \$1,000,000 if maintenance costs so justify.

During the year ended December 31, 2014, the City of Saint Charles, Missouri purchased water from the Water Pipeline Project and paid related pumping charges of \$1,298,096 and \$57,740, respectively. These costs are included as operating expenses in the City's Waterworks enterprise fund. As of December 31, 2014, the City of Saint Charles, Missouri owed the Water Pipeline Project approximately \$282,200 for purchased water and related pumping charges.

CITY OF SAINT CHARLES, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014**

Condensed summary of financial information for the Joint Venture as of and for its fiscal year ended September 30, 2014 is as follows:

Assets	<u>\$ 6,055,368</u>
Liabilities	\$ 640,368
Partnership capital:	
St. Peters	2,903,699
St. Charles	6,227,431
Accumulated deficit:	
St. Peters	(1,181,733)
St. Charles	<u>(2,534,397)</u>
	<u>\$ 6,055,368</u>
Operating revenue	\$ 2,117,247
Operating expenses	(2,316,990)
Nonoperating revenue	<u>118</u>
Net Loss	<u>\$ (199,625)</u>

Financial statements for the Water Pipeline Project are available from its administrative offices located at One Saint Peters Centre Boulevard, Saint Peters, Missouri 63376.

Convention Center Project:

In July 1997, the City of Saint Charles, Missouri Tax Increment Financing (TIF) Commission prepared a redevelopment plan entitled Saint Charles County Convention Center Redevelopment Area (Redevelopment Plan) calling for the construction of a convention center, a full-service hotel and related on-site and off-site improvements. In November 1997, the Redevelopment Plan was approved by the Saint Charles City Council.

In 1992, the Authority was established as a separate legal entity by an Act of the Missouri State legislature with the authority to acquire, purchase or lease and construct, operate, and maintain convention centers, sports stadiums, field houses, indoor and outdoor convention, recreational and entertainment facilities, and to do all things incidental or necessary to facilitate these purposes.

In 2003, as amended in 2009, 2010 and 2012, the City and the Authority entered into a Convention Center Agreement (Cooperation Agreement) to contract and cooperate with each other and any private corporation for the planning, development, construction, acquisition or operation of a public improvement or facility as authorized under RSMo 70.210 to 70.320. Specifically, the Cooperation Agreement provides for the joint financing, construction and operation of a convention center facility and all related improvements (Convention Center Project).

CITY OF SAINT CHARLES, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014**

The City and Authority also entered into a Hotel Redevelopment Agreement dated July 25, 2002 with a developer for the development and construction of a hotel of not less than 250 rooms adjacent to the Convention Center site (Hotel Project). The Convention Center property and the Hotel property, (collectively the Project Area), is owned by the City. The City will lease the Convention Center property to the Authority, and under separate lease agreement shall lease the Hotel property to the developer for \$100 per year for 55 years.

The Authority will own an undivided 3/4 interest and the City will own an undivided 1/4 interest in the Convention Center Building.

Pursuant to the Cooperation Agreement, On November 1, 2003, the City issued \$29,735,000 in Certificates of Participation to finance a portion of the construction of the Facility and other related costs and improvements. Until such time as the Certificates of Participation are paid in full or refinanced, the City shall contribute all TIF revenues generated as a result of the Convention Center and Hotel Project within the Convention Center Redevelopment Area, and such other revenues of the City, as will be necessary, when added to the Authority's contributions, to finance construction of, to retire the debt incurred for and to fund the operation of the Convention Center. The Series 2003 Certificates of Participation were refunded in 2012 with the issuance of \$28,105,000 Certificates of Participation, Series 2012.

Until such time as the Certificates of Participation are paid in full, the Authority shall contribute towards the cost of construction and operation of the Convention Center Project; (1) all proceeds of the hotel / motel tax earned by Saint Charles County for the benefit of the Authority, except a portion for administration purposes; (2) all funds of the Authority, except \$300,000 to be used by the Authority as its Reserve Funds; (3) any interest accumulating on any funds of the Authority except the reserve or operating funds and (4) any portion of the annual administrative funds not spent or appropriated by the end of the applicable year.

The Convention Center Project is considered a joint venture between the City and the Authority because it constitutes a contractual agreement for public benefit, subject to joint control, in which the City and Authority retain an ongoing financial responsibility as discussed above. There are no separate financial statements prepared for the Convention Center project. The joint venture does not accumulate excess funds. The operational loss for the year ended December 31, 2014 was approximately \$1.2 million and is reflected on the City's Convention Center Operations Fund.

In accordance with the Cooperation Agreement, any funds in excess of that necessary to pay the Certificates of Participation are remitted to a bank account jointly owned by the City and Authority for the purpose of funding operations, maintenance, renovations, repairs, and other necessary expenses of the Convention Center. At December, 31, 2014, the balance in this account was approximately \$4,800,000 and is not included in these financial statements.

CITY OF SAINT CHARLES, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014**

16. Fines and Court Costs

For the year ended December 31, 2014, General fund revenue totaled \$41,429,167. Fines and court costs totaled \$1,217,831, or approximately 2.9% of the General fund revenues.

17. Excess of Expenditures Over Appropriations

Expenditures exceed appropriations in the Convention Center Operations Fund by \$1,124,547 for the year ended December 31, 2014.

18. Recent Accounting Pronouncements

The accounting principles governing the reported amounts, presentation and related disclosures are subject to change from time to time based on new pronouncements and/or rules issued by various governing bodies. The Government Accounting Standards Board (GASB) is responsible for establishing generally accepted accounting principles (GAAP) for state and local governments.

In June 2012, the GASB issued Statement No. 67 "Financial Reporting for Pension Plans" and Statement No. 68 "Accounting and Reporting for Pensions". The objective of these Statements is to revise existing accounting and financial reporting requirements for most pension plans, and to revise and establish new financial reporting requirements for most governments that provide their employees with pension benefits. The requirements in Statement No. 67 are effective for periods beginning after June 15, 2013, and the requirements in Statement No. 68 are effective for periods beginning after June 15, 2014.

In November 2013, the GASB issued Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68." This statement amends paragraph 137 of Statement No. 68 to require that, at transition, a government may recognize a beginning deferred outflow or resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement No. 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts. The requirements in this Statement are effective simultaneously with the requirement of Statement No. 68 which is effective for periods beginning after June 15, 2014.

In February 2015, the GASB issued Statement No. 72 "Fair Value Measurement and Application". This statement provides guidance for determining a fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

The effects on the City's financial statements as a result of the adoption of these new pronouncements are unknown.

CITY OF SAINT CHARLES, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014**

19. Subsequent Events

Subsequent to December 31, 2014, the City issued \$3,725,000 in Refunding Certificates of Participation, Series 2015 to refund \$4,480,000 outstanding Certificates of Participation, Series 2006. The Series 2015 Certificates bear interest at 2% and mature March 2018.

Subsequent to December 31, 2014, the City issued \$4,620,000 in Neighborhood Improvement District Limited Obligation Bonds to finance various infrastructure projects benefiting New Town Saint Charles Neighborhood Improvement District – Phase Four improvements. The bonds bear interest at 2.0%-3.55% and mature in 2035.



Required Supplementary Data

Required Supplementary Information -

CITY OF SAINT CHARLES, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - GENERAL FUND FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Final Budget		
Revenues				
Taxes, including interest and penalties:				
Property	\$ 6,956,510	\$ 6,956,510	\$ 9,172,449	\$ 2,215,939
Utility gross receipts	8,765,300	8,765,300	8,533,576	(231,724)
Sales	8,209,676	8,209,676	8,612,559	402,883
Gaming receipts	8,833,500	8,833,500	8,833,500	-
Franchise	846,600	846,600	964,566	117,966
Cigarette	430,000	430,000	462,603	32,603
Institutional	13,000	13,000	5,993	(7,007)
Total Taxes	34,054,586	34,054,586	36,585,246	2,530,660
Federal, state and county grants	150,000	136,885	101,862	(35,023)
Licenses, Permits, Fines and Fees:				
Occupation licenses	540,000	540,000	576,472	36,472
Police court fines and fees	1,080,870	1,080,870	1,217,831	136,961
Liquor licenses	97,200	97,200	87,389	(9,811)
Building permits	647,000	647,000	839,485	192,485
Life support vehicle fees	1,243,500	1,243,500	933,472	(310,028)
Fireworks licenses	72,000	72,000	72,000	-
Rental inspection program	132,600	132,600	158,500	25,900
Other	35,800	35,800	38,952	3,152
Total licenses, permits, fines and fees	3,848,970	3,848,970	3,924,101	75,131
Interest on investments	119,000	119,000	85,091	(33,909)
Other	442,190	479,694	698,925	219,231
Total Revenues	38,614,746	38,639,135	41,395,225	2,756,090
Expenditures				
General Government:				
Mayor's Office:				
Personnel services	183,767	183,767	181,210	2,557
Contractual services	23,129	25,129	18,498	6,631
Materials and supplies	35,063	33,063	24,118	8,945
	241,959	241,959	223,826	18,133
City Council:				
Personnel services	279,435	300,551	248,133	52,418
Contractual services	95,060	93,859	84,203	9,656
Materials and supplies	51,997	116,016	67,120	48,896
	426,492	510,426	399,456	110,970
Administration:				
Personnel services	439,321	439,321	441,804	(2,483)
Contractual services	24,485	24,485	15,623	8,862
Materials and supplies	80,161	82,661	47,389	35,272
	543,967	546,467	504,816	41,651
Human Resources:				
Personnel services	379,941	379,941	348,954	30,987
Contractual services	67,100	69,300	56,896	12,404
Materials and supplies	28,513	26,313	18,882	7,431
	475,554	475,554	424,732	50,822

(Continued)

CITY OF SAINT CHARLES, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Final Budget		
Finance:				
Personnel services	1,433,730	1,431,411	1,416,500	14,911
Contractual services	130,120	150,683	108,559	42,124
Materials and supplies	33,128	34,678	29,438	5,240
Capital outlay	-	4,019	4,019	-
	<u>1,596,978</u>	<u>1,620,791</u>	<u>1,558,516</u>	<u>62,275</u>
City Development:				
Personnel services	864,376	864,376	840,557	23,819
Contractual services	65,330	68,430	58,504	9,926
Materials and supplies	13,326	13,551	9,179	4,372
Capital outlay	1,600	1,900	1,860	40
	<u>944,632</u>	<u>948,257</u>	<u>910,100</u>	<u>38,157</u>
City Attorney:				
Personnel services	407,454	407,454	405,605	1,849
Contractual services	116,217	119,342	81,965	37,377
Materials and supplies	28,663	28,663	23,931	4,732
	<u>552,334</u>	<u>555,459</u>	<u>511,501</u>	<u>43,958</u>
City Clerk:				
Personnel services	320,379	320,379	315,580	4,799
Contractual services	101,546	93,806	53,307	40,499
Materials and supplies	158,760	166,500	149,643	16,857
	<u>580,685</u>	<u>580,685</u>	<u>518,530</u>	<u>62,155</u>
Municipal Court:				
Personnel services	516,589	556,114	546,188	9,926
Contractual services	48,750	52,750	49,842	2,908
Materials and supplies	41,249	45,233	36,716	8,517
	<u>606,588</u>	<u>654,097</u>	<u>632,746</u>	<u>21,351</u>
Cemetery:				
Personnel services	149,061	148,986	152,070	(3,084)
Contractual services	20,870	20,945	19,890	1,055
Materials and supplies	15,332	15,332	12,011	3,321
Capital outlay	1,500	1,500	-	1,500
	<u>186,763</u>	<u>186,763</u>	<u>183,971</u>	<u>2,792</u>
Economic Development:				
Personnel services	240,593	240,593	260,916	(20,323)
Contractual services	47,495	47,495	38,736	8,759
Materials and supplies	433,225	566,563	445,053	121,510
Capital outlay	496	2,179	1,683	496
	<u>721,809</u>	<u>856,830</u>	<u>746,388</u>	<u>110,442</u>
Information Technology				
Personnel services	692,474	705,394	682,627	22,767
Contractual services	741,661	693,654	632,590	61,064
Materials and supplies	33,949	33,824	27,460	6,364
Capital outlay	31,000	83,040	93,920	(10,880)
	<u>1,499,084</u>	<u>1,515,912</u>	<u>1,436,597</u>	<u>79,315</u>
Total General Government	<u>8,376,845</u>	<u>8,693,200</u>	<u>8,051,179</u>	<u>642,021</u>

(Continued)

CITY OF SAINT CHARLES, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Final Budget		
Public Safety:				
Police Department:				
Personnel services	16,115,974	16,569,280	16,904,553	(335,273)
Contractual services	1,133,801	1,149,483	983,594	165,889
Materials and supplies	839,116	854,843	782,238	72,605
Capital outlay	26,500	170,903	143,595	27,308
	<u>18,115,391</u>	<u>18,744,509</u>	<u>18,813,980</u>	<u>(69,471)</u>
Code Enforcement:				
Personnel services	851,266	851,266	848,965	2,301
Contractual services	71,850	69,425	54,238	15,187
Materials and supplies	42,546	43,746	37,140	6,606
	<u>965,662</u>	<u>964,437</u>	<u>940,343</u>	<u>24,094</u>
Fire Department:				
Personnel services	10,113,964	10,941,016	10,747,856	193,160
Contractual services	665,571	719,574	606,940	112,634
Materials and supplies	409,627	425,514	361,168	64,346
Capital outlay	25,000	14,700	11,143	3,557
	<u>11,214,162</u>	<u>12,100,804</u>	<u>11,727,107</u>	<u>373,697</u>
Total Public Safety	<u>30,295,215</u>	<u>31,809,750</u>	<u>31,481,430</u>	<u>328,320</u>
Public Works:				
Building Maintenance:				
Personnel services	462,027	510,195	471,534	38,661
Contractual services	192,480	201,056	202,493	(1,437)
Materials and supplies	162,624	162,900	155,720	7,180
Capital outlay	-	32,764	1,686	31,078
	<u>817,131</u>	<u>906,915</u>	<u>831,433</u>	<u>75,482</u>
Streets and Stormwater:				
Capital outlay	-	8,145	8,145	-
	<u>-</u>	<u>8,145</u>	<u>8,145</u>	<u>-</u>
Total Public Works	<u>817,131</u>	<u>915,060</u>	<u>839,578</u>	<u>75,482</u>
Total Expenditures	<u>39,489,191</u>	<u>41,418,010</u>	<u>40,372,187</u>	<u>1,045,823</u>
Revenues Under Expenditures Before Other				
Financing Sources	<u>(874,445)</u>	<u>(2,778,875)</u>	<u>1,023,038</u>	<u>3,801,913</u>
Other Financing Sources (Uses):				
Transfers in	807,070	2,246,146	2,318,944	72,798
Transfers out	-	-	(1,268,382)	(1,268,382)
Proceeds from sale of fixed assets	40,000	40,000	33,942	(6,058)
Total Other Financing Sources (Uses)	<u>847,070</u>	<u>2,286,146</u>	<u>1,084,504</u>	<u>(1,201,642)</u>
Net Change in Fund Balances	<u>(27,375)</u>	<u>(492,729)</u>	<u>2,107,542</u>	<u>2,600,271</u>
Fund Balance:				
Beginning of Year	<u>12,331,536</u>	<u>12,331,536</u>	<u>12,331,536</u>	<u>-</u>
End of Year	<u>\$ 12,304,161</u>	<u>\$ 11,838,807</u>	<u>\$ 14,439,078</u>	<u>\$ 2,600,271</u>

CITY OF SAINT CHARLES, MISSOURI

**NOTES TO BUDGETARY COMPARISON INFORMATION
DECEMBER 31, 2014**

Budgetary Data

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The City follows the procedures outlined below in establishing the budgetary data reflected in the basic financial statements.

1. On or before October 1, the Mayor submits to the City Council a proposed operating budget for the general, special revenue, debt service and capital projects funds for the year commencing the following January 1. The City Council also adopts, as a management control device only, a budget for all remaining funds.
2. The City Council publishes a public notice on the availability of copies of the budget. Not less than two weeks after such notice, a public hearing is conducted by the City Council giving the taxpayers the opportunity to be heard on the proposed budget.
3. The annual operating budgets are then adopted by the City Council by the affirmative vote of a majority of the members of the City Council and approval by the Mayor on or before the last day preceding the budget year. If the budgets have not been passed and approved by this time, then the budgets and appropriations for the current year shall be deemed to be rebudgeted and reappropriated for the budget year until a new budget is adopted and approved.
4. Upon the request of the City's department heads, the Mayor may transfer part, or all, of any unencumbered appropriated balance among programs within a department, office or agency. Intra-departmental transfers aggregating \$10,000 or more must be approved by City Council. Expenditures may not legally exceed appropriations at the department level in the general fund or at the fund level for all other fund types as they are not departmentalized.
5. If it is determined by the Mayor that there are revenues in excess of those estimated in the budget that are available for appropriation, the City Council may, by ordinance, make supplemental appropriations for the year up to the amount of such excess.
6. If it appears probable that revenues available will be insufficient to meet the amount appropriated, the City Council may, by ordinance, reduce one or more appropriations.
7. Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget.

CITY OF SAINT CHARLES, MISSOURI

**SCHEDULE OF FUNDING PROGRESS – LAGERS RETIREMENT SYSTEM
DECEMBER 31, 2014**

The funded status of the plan for the actuarial valuation as of February 28, 2014 is as follows:

Year Ended December 31,	Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b - a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
2014	2/28/2014	\$ 78,182,822	\$ 84,348,754	\$ 6,165,932	93%	\$ 29,910,048	21%
2013	2/28/2013	66,008,387	77,674,507	11,666,120	85%	28,210,158	41%
2012	2/29/2012	61,098,232	76,983,928	15,885,696	79%	27,783,722	57%

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserved Fund. The actuarial assumptions were changed in conjunction with the February 28, 2011 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

CITY OF SAINT CHARLES, MISSOURI

**SCHEDULE OF FUNDING PROGRESS AND CONTRIBUTIONS –
OTHER POST-EMPLOYMENT BENEFITS PROGRAM
DECEMBER 31, 2014**

Year Ended December 31,	Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b - a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
2014	1/1/2014	\$ 1,742,824	\$ 13,943,000	\$ 12,200,176	12.5%	\$ 32,100,000	38%
2013	1/1/2012	1,945,789	17,370,000	15,424,211	11.2%	31,300,000	49%
2012	1/1/2012	1,945,789	17,370,000	15,424,211	11.2%	31,300,000	49%

Note: The results shown above are based on the baseline assumptions with respect to the medical inflation rate and the discount rate, as discussed in the Sensitivity Analysis section of the actuary report. Please note that the 4.00% baseline discount rate assumes that benefits are pre-funded. The discount rate is based on the expected earnings of the retiree medical trust fund as provided by the City.

Schedule of Employer Contributions:

Year Ended December 31,	Annual Required Contribution	Percentage Contributed
2012	1,342,200	46.62%
2013	1,342,200	45.39%
2014	1,098,400	55.19%

Other Supplementary Information

**Combining And Individual Fund
Financial Statements And Schedules**

Combining Statements

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The special revenue funds maintained by the City are as follows:

Street Maintenance And Improvement Fund - Used to account for sales, gasoline and County road and bridge tax revenues, restricted entirely for maintenance and improvements of City roads and bridges.

Community Development Fund - Used to account for state and federal grant revenues and related expenditures.

Tax Increment Financing (TIF) Districts Fund - Used to account for the City's tax increment financing districts.

Convention Center Operations Fund - Used to account for the operations of the Convention Center, including debt service.

Water Service Line Program Fund - Used to account for the revenue generated by a fee charged to certain residential property owners within the City, which is used to pay for the repair of damaged water lines.

Sewer Lateral Program Fund - Used to account for the revenue generated by a fee charged to certain residential property owners within the City, which is used to pay for the repair of damaged sewer lateral lines.

Metropolitan Parks Tax Fund - Used to account for revenue received from the Metropolitan Park and Recreation District Sales Tax.

Park Fund - Used to account for the revenues and related expenditures of the City's public parks.

Tourism Fund - Used to account for the City's 1% Tourism license tax. These funds are utilized to promote tourism, convention and other related activities in the City.

Special Business District Fund - Used to account for the Special Business District property tax and business license fees generated from Main Street properties.

Combining Statements

Nonmajor Governmental Funds

Debt Service Funds

General Obligation Debt Service Fund - Used to account for the accumulation of resources for, and the payment of, certain general long-term debt principal, interest and related costs. This fund accounts for all General Obligation Bonds of the City.

Capital Projects Funds

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital items (other than those financed by proprietary and fiduciary fund types). The capital projects funds maintained by the City are as follows:

Capital Improvement Fund - Used to account for the utilization of the one-half cent capital improvement sales tax and a portion of the City's general sales tax. Capital projects primarily for general government purposes are funded herein.

General Obligation (GO) Capital Projects Fund - The GO Capital Projects Fund is used to account for the use of bond proceeds for constructing, furnishing, and equipping a public works facility, a new fire station and public safety facility and City Hall garage structural repairs.

Street Construction Fund - Used to account for the use of gaming funds dedicated to new street construction and reconstruction of existing roadways including related curb and gutter work and design engineering services. These funds can also be utilized for street lighting and traffic signalization.

Major Facilities Fund - Used to account for the use of gaming funds dedicated to enhancing or expanding existing City facilities or new construction.

Stormwater Fund - Used to account for the use of gaming funds dedicated to help finance the stormwater projects.

Permanent Fund

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used.

Cemetery Trust Fund - Used to account for the revenues and related expenses of the City's cemetery.

CITY OF SAINT CHARLES, MISSOURI

**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2014**

	Combined Nonmajor Special Revenue Funds	General Obligation Debt Service Fund	Combined Nonmajor Capital Projects Funds	Permanent Fund	Total Nonmajor Governmental Funds
Assets:					
Cash and investments:					
Held by trustees	\$ 3,808,403	\$ -	\$ 526	\$ -	\$ 3,808,929
Restricted	-	-	-	596,754	596,754
Unrestricted	11,768,079	2,902,118	23,266,752	-	37,936,949
Receivables, net of allowances:					
Taxes	2,423,978	1,118,255	858,827	-	4,401,060
Notes	2,739,541	-	-	-	2,739,541
Grants	77,146	-	-	-	77,146
Interest	-	-	51	-	51
Due from other funds	90,681	-	-	-	90,681
Other	1,274,505	-	-	-	1,274,505
Prepaid expenses	54,487	-	1,030	-	55,517
Total Assets	\$ 22,236,820	\$ 4,020,373	\$ 24,127,186	\$ 596,754	\$ 50,981,133
Liabilities, Deferred Inflows of Resources and Fund Balances:					
Liabilities:					
Accounts payable	\$ 1,943,299	\$ -	\$ 2,503,134	\$ -	\$ 4,446,433
Accrued payroll	193,021	-	-	-	193,021
Deferred revenue	680,993	-	-	-	680,993
Due to other funds	90,681	-	-	-	90,681
Total Liabilities	2,907,994	-	2,503,134	-	5,411,128
Deferred Inflows of Resources:					
Unavailable revenue - property taxes	200,684	139,183	-	-	339,867
Fund Balances:					
Nonspendable					
Cemetery Trust	-	-	-	233,912	233,912
Prepaid Expenses	54,487	-	1,030	-	55,517
Restricted for:					
Street maintenance and improvement	3,182,473	-	-	-	3,182,473
Community development	3,075,614	-	-	-	3,075,614
TIF projects and debt obligations	1,702,796	-	-	-	1,702,796
Debt service	4,323,483	3,881,190	526	-	8,205,199
Sewer lateral projects	1,729,514	-	-	-	1,729,514
Parks	2,548,952	-	-	-	2,548,952
Capital projects	-	-	9,231,954	-	9,231,954
Cemetery	-	-	-	362,842	362,842
Tourism	2,288,141	-	-	-	2,288,141
Special business district	222,682	-	-	-	222,682
Assigned for:					
Capital projects	-	-	12,390,542	-	12,390,542
Total Fund Balances	19,128,142	3,881,190	21,624,052	596,754	45,230,138
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 22,236,820	\$ 4,020,373	\$ 24,127,186	\$ 596,754	\$ 50,981,133

CITY OF SAINT CHARLES, MISSOURI

**COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2014**

	Street Maintenance and Improvement	Community Development	Tax Increment Financing (TIF) Districts	Convention Center Operations	Water Service Line Program
Assets:					
Cash and investments:					
Held by trustees	\$ -	\$ -	\$ 101,757	\$ 3,706,646	\$ -
Unrestricted	3,002,155	333,925	1,616,975	2,046,522	-
Receivables, net of allowances:					
Taxes	478,593	-	-	-	-
Notes	-	2,739,541	-	-	-
Grants	-	4,442	-	-	-
Interest	-	-	-	-	-
Due from other funds	-	-	-	-	-
Other	-	-	665,057	-	230,409
Prepaid Expenses	-	-	-	-	-
Total Assets	\$ 3,480,748	\$ 3,077,908	\$ 2,383,789	\$ 5,753,168	\$ 230,409
Liabilities, Deferred Inflows of Resources and Fund Balances:					
Liabilities:					
Accounts payable	\$ 194,760	\$ 2,294	\$ -	\$ 1,429,685	\$ 1,514
Accrued payroll	103,515	-	-	-	1,118
Deferred revenue	-	-	680,993	-	-
Due to other funds	-	-	-	-	90,681
Total Liabilities	298,275	2,294	680,993	1,429,685	93,313
Deferred Inflows of Resources:					
Unavailable revenue - property taxes	-	-	-	-	-
Fund Balances:					
Nonspendable prepaid expenses	-	-	-	-	-
Restricted for:					
Street maintenance and improvement	3,182,473	-	-	-	-
Community development	-	3,075,614	-	-	-
TIF projects and debt obligations	-	-	1,702,796	-	-
Debt service	-	-	-	4,323,483	-
Sewer lateral projects	-	-	-	-	137,096
Parks	-	-	-	-	-
Tourism	-	-	-	-	-
Special business district	-	-	-	-	-
Total Fund Balances	3,182,473	3,075,614	1,702,796	4,323,483	137,096
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,480,748	\$ 3,077,908	\$ 2,383,789	\$ 5,753,168	\$ 230,409

Sewer Lateral Program	Metropolitan Parks Tax	Park	Tourism	Special Business District	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,808,403
1,138,826	472,961	811,685	2,129,850	215,180	11,768,079
-	34,162	1,608,319	290,652	12,252	2,423,978
-	-	-	-	-	2,739,541
-	-	-	72,704	-	77,146
-	-	-	-	-	-
90,681	-	-	-	-	90,681
375,417	-	3,622	-	-	1,274,505
-	-	200	49,537	4,750	54,487
<u>\$ 1,604,924</u>	<u>\$ 507,123</u>	<u>\$ 2,423,826</u>	<u>\$ 2,542,743</u>	<u>\$ 232,182</u>	<u>\$ 22,236,820</u>
\$ 11,388	\$ -	\$ 124,029	\$ 174,879	\$ 4,750	\$ 1,943,299
1,118	-	57,084	30,186	-	193,021
-	-	-	-	-	680,993
-	-	-	-	-	90,681
<u>12,506</u>	<u>-</u>	<u>181,113</u>	<u>205,065</u>	<u>4,750</u>	<u>2,907,994</u>
-	-	200,684	-	-	200,684
-	-	200	49,537	4,750	54,487
-	-	-	-	-	3,182,473
-	-	-	-	-	3,075,614
-	-	-	-	-	1,702,796
-	-	-	-	-	4,323,483
1,592,418	-	-	-	-	1,729,514
-	507,123	2,041,829	-	-	2,548,952
-	-	-	2,288,141	-	2,288,141
-	-	-	-	222,682	222,682
<u>1,592,418</u>	<u>507,123</u>	<u>2,042,029</u>	<u>2,337,678</u>	<u>227,432</u>	<u>19,128,142</u>
<u>\$ 1,604,924</u>	<u>\$ 507,123</u>	<u>\$ 2,423,826</u>	<u>\$ 2,542,743</u>	<u>\$ 232,182</u>	<u>\$ 22,236,820</u>

CITY OF SAINT CHARLES, MISSOURI

**COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2014**

	Capital Improvement	General Obligation Capital Projects	Street Construction	Major Facilities	Stormwater	Total
Assets:						
Cash and investments:						
Held by trustees	\$ -	\$ -	\$ -	\$ -	\$ 526	\$ 526
Unrestricted	4,562,126	6,410,052	8,790,028	1,802,937	1,701,609	23,266,752
Receivables:						
Taxes	522,522	-	221,542	30,604	84,159	858,827
Interest	-	-	-	34	17	51
Prepaid expenses	1,030	-	-	-	-	1,030
Total Assets	<u>\$ 5,085,678</u>	<u>\$ 6,410,052</u>	<u>\$ 9,011,570</u>	<u>\$ 1,833,575</u>	<u>\$ 1,786,311</u>	<u>\$ 24,127,186</u>
Liabilities and Fund Balances:						
Liabilities:						
Accounts payable	\$ 844,594	\$ 1,418,152	\$ 184,923	\$ 610	\$ 54,855	\$ 2,503,134
Total Liabilities	<u>844,594</u>	<u>1,418,152</u>	<u>184,923</u>	<u>610</u>	<u>54,855</u>	<u>2,503,134</u>
Fund Balances:						
Nonspendable prepaid expenses	1,030	-	-	-	-	1,030
Restricted for:						
Capital projects	4,240,054	4,991,900	-	-	-	9,231,954
Debt service	-	-	-	-	526	526
Assigned for:						
Capital projects	-	-	8,826,647	1,832,965	1,730,930	12,390,542
Total Fund Balances	<u>4,241,084</u>	<u>4,991,900</u>	<u>8,826,647</u>	<u>1,832,965</u>	<u>1,731,456</u>	<u>21,624,052</u>
Total Liabilities and Fund Balances	<u>\$ 5,085,678</u>	<u>\$ 6,410,052</u>	<u>\$ 9,011,570</u>	<u>\$ 1,833,575</u>	<u>\$ 1,786,311</u>	<u>\$ 24,127,186</u>

CITY OF SAINT CHARLES, MISSOURI

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Combined Nonmajor Special Revenue Funds	General Obligation Debt Service Fund	Combined Nonmajor Capital Projects Funds	Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
Taxes, including interest and penalties:					
Property	\$ 8,611,418	\$ 2,766,838	\$ -	\$ -	\$ 11,378,256
Utility	44,178	-	-	-	44,178
Tourism	2,935,696	-	-	-	2,935,696
Sales	4,675,960	-	5,485,202	-	10,161,162
Gasoline and motor fuel	2,492,172	-	-	-	2,492,172
Gaming receipts	-	-	3,150,298	-	3,150,298
County road and bridge	1,232,372	-	-	-	1,232,372
Total Taxes	19,991,796	2,766,838	8,635,500	-	31,394,134
Federal, state and county grants	593,256	-	-	-	593,256
Intergovernmental revenue from Saint Charles					
County Convention and Sports Authority	2,878,857	-	-	-	2,878,857
Licenses, permits, fines and fees	2,749,826	-	-	-	2,749,826
Interest on investments	10,054	2,688	27,171	603	40,516
Other	574,927	-	2,570,458	23,740	3,169,125
Total Revenues	26,798,716	2,769,526	11,233,129	24,343	40,825,714
Expenditures:					
Current:					
General government	6,123,704	-	37,283	2,200	6,163,187
Public works/Public improvements	5,923,971	-	21,600	-	5,945,571
Public parks	3,790,808	-	-	-	3,790,808
Public services	55,600	-	-	-	55,600
Convention Center	1,145,018	-	-	-	1,145,018
Capital outlay	2,305,051	-	15,416,955	-	17,722,006
Debt service:					
Principal retirement	3,916,000	1,345,000	1,023,880	-	6,284,880
Interest and fiscal charges	3,096,009	537,038	273,162	-	3,906,209
Bond issue costs	-	230	13,573	-	13,803
Total Expenditures	26,356,161	1,882,268	16,786,453	2,200	45,027,082
Revenues Over (Under) Expenditures	442,555	887,258	(5,553,324)	22,143	(4,201,368)
Other Financing Sources (Uses):					
Transfers in	909,782	-	3,768,382	-	4,678,164
Transfers out	(962,578)	(125,897)	(6,357,683)	(1,000)	(7,447,158)
Payment to refunding escrow agent	-	-	(1,989,600)	-	(1,989,600)
Premium on debt issuance	-	-	21,776	-	21,776
Proceeds from bond refunding	-	-	1,514,700	-	1,514,700
Proceeds from sale of capital assets	127,423	-	2,450	-	129,873
Total Other Financing Sources (Uses)	74,627	(125,897)	(3,039,975)	(1,000)	(3,092,245)
Net Change in Fund Balances	517,182	761,361	(8,593,299)	21,143	(7,293,613)
Fund Balance:					
Beginning of year	18,610,960	3,119,829	30,217,351	575,611	52,523,751
End of year	\$ 19,128,142	\$ 3,881,190	\$ 21,624,052	\$ 596,754	\$ 45,230,138

CITY OF SAINT CHARLES, MISSOURI

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Street Maintenance and Improvement	Community Development	Tax Increment Financing (TIF) Districts	Convention Center Operations	Water Service Line Program
Revenues:					
Taxes, including interest and penalties:					
Property	\$ -	\$ -	\$ 4,597,041	\$ -	\$ -
Utility	-	-	44,178	-	-
Tourism	-	-	-	-	-
Sales	2,870,493	-	1,593,934	-	-
Gasoline and motor fuel	2,492,172	-	-	-	-
County road and bridge	1,232,372	-	-	-	-
Total Taxes	<u>6,595,037</u>	<u>-</u>	<u>6,235,153</u>	<u>-</u>	<u>-</u>
Federal, state and county grants	-	393,176	-	-	-
Intergovernmental revenue from Saint Charles					
County Convention and Sports Authority	-	-	-	2,878,857	-
Licenses, permits, fines and fees	71,497	-	-	-	236,816
Interest on investments	3,145	76	1,497	428	-
Other	249,933	25	16,982	-	-
Total Revenues	<u>6,919,612</u>	<u>393,277</u>	<u>6,253,632</u>	<u>2,879,285</u>	<u>236,816</u>
Expenditures:					
Current:					
General government	1,030,562	92,185	528,440	-	99,720
Public works/Public improvements	5,921,995	1,976	-	-	-
Public parks	-	-	-	-	-
Public services	-	55,600	-	-	-
Convention Center	-	-	-	1,145,018	-
Capital outlay	29,952	88,087	-	577,621	-
Debt service:					
Principal retirement	-	-	2,151,000	1,765,000	-
Interest and fiscal charges	-	-	2,476,926	619,083	-
Total Expenditures	<u>6,982,509</u>	<u>237,848</u>	<u>5,156,366</u>	<u>4,106,722</u>	<u>99,720</u>
Revenues Over (Under) Expenditures	<u>(62,897)</u>	<u>155,429</u>	<u>1,097,266</u>	<u>(1,227,437)</u>	<u>137,096</u>
Other Financing Sources (Uses):					
Transfers in	41,978	-	-	730,489	-
Transfers out	(43,905)	(72,799)	(730,489)	-	-
Proceeds from the sale of capital assets	126,150	-	-	-	-
Total Other Financing Sources (Uses)	<u>124,223</u>	<u>(72,799)</u>	<u>(730,489)</u>	<u>730,489</u>	<u>-</u>
Net Change in Fund Balances	61,326	82,630	366,777	(496,948)	137,096
Fund Balance:					
Beginning of year	<u>3,121,147</u>	<u>2,992,984</u>	<u>1,336,019</u>	<u>4,820,431</u>	<u>-</u>
End of year	<u>\$ 3,182,473</u>	<u>\$ 3,075,614</u>	<u>\$ 1,702,796</u>	<u>\$ 4,323,483</u>	<u>\$ 137,096</u>

Sewer Lateral Program	Metropolitan Park Tax	Park	Tourism	Special Business District	Total
\$ -	\$ -	\$ 3,979,136	\$ -	\$ 35,241	\$ 8,611,418
-	-	-	-	-	44,178
-	-	-	2,935,696	-	2,935,696
-	211,533	-	-	-	4,675,960
-	-	-	-	-	2,492,172
-	-	-	-	-	1,232,372
-	211,533	3,979,136	2,935,696	35,241	19,991,796
-	-	20,000	180,080	-	593,256
-	-	-	-	-	2,878,857
380,304	-	2,045,314	-	15,895	2,749,826
1,233	478	-	2,109	1,088	10,054
345	-	113,636	194,006	-	574,927
381,882	212,011	6,158,086	3,311,891	52,224	26,798,716
409,587	-	1,103,555	2,835,329	24,326	6,123,704
-	-	-	-	-	5,923,971
-	-	3,790,808	-	-	3,790,808
-	-	-	-	-	55,600
-	-	-	-	-	1,145,018
-	159,595	1,188,894	256,529	4,373	2,305,051
-	-	-	-	-	3,916,000
-	-	-	-	-	3,096,009
409,587	159,595	6,083,257	3,091,858	28,699	26,356,161
(27,705)	52,416	74,829	220,033	23,525	442,555
-	-	81,938	55,377	-	909,782
-	-	-	(115,385)	-	(962,578)
-	-	1,273	-	-	127,423
-	-	83,211	(60,008)	-	74,627
(27,705)	52,416	158,040	160,025	23,525	517,182
1,620,123	454,707	1,883,989	2,177,653	203,907	18,610,960
\$ 1,592,418	\$ 507,123	\$ 2,042,029	\$ 2,337,678	\$ 227,432	\$ 19,128,142

CITY OF SAINT CHARLES, MISSOURI

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Capital Improvement	General Obligation Capital Projects	Street Construction	Major Facilities	Stormwater	Total
Revenues:						
Sales taxes	\$ 5,485,202	\$ -	\$ -	\$ -	\$ -	\$ 5,485,202
Gaming taxes	-	-	1,832,798	310,500	1,007,000	3,150,298
Interest on investments	3,674	10,936	8,241	2,108	2,212	27,171
Other	5,949	-	1,959,648	-	604,861	2,570,458
Total Revenues	5,494,825	10,936	3,800,687	312,608	1,614,073	11,233,129
Expenditures:						
Current:						
General government	-	-	-	-	37,283	37,283
Public works/Public improvements	-	-	-	21,600	-	21,600
Capital Outlay	5,848,249	5,713,451	2,522,644	237,100	1,095,511	15,416,955
Debt service:						
Principal retirement	220,680	-	-	85,000	718,200	1,023,880
Interest and fiscal charges	59,386	-	-	43,725	170,051	273,162
Bond issue costs	-	-	-	-	13,573	13,573
Total Expenditures	6,128,315	5,713,451	2,522,644	387,425	2,034,618	16,786,453
Revenues Over (Under) Expenditures	(633,490)	(5,702,515)	1,278,043	(74,817)	(420,545)	(5,553,324)
Other Financing Sources (Uses):						
Transfers in	2,500,000	-	1,268,382	-	-	3,768,382
Transfers out	(16,417)	(3,333,540)	(2,691,870)	(315,856)	-	(6,357,683)
Payment to refunding escrow agent	-	-	-	-	(1,989,600)	(1,989,600)
Premium on debt issuance	-	-	-	-	21,776	21,776
Proceeds from refunding bond issue	-	-	-	-	1,514,700	1,514,700
Proceeds from sale of capital assets	2,450	-	-	-	-	2,450
Total Other Financing Sources (Uses)	2,486,033	(3,333,540)	(1,423,488)	(315,856)	(453,124)	(3,039,975)
Net Change in Fund Balances	1,852,543	(9,036,055)	(145,445)	(390,673)	(873,669)	(8,593,299)
Fund Balance:						
Beginning of year	2,388,541	14,027,955	8,972,092	2,223,638	2,605,125	30,217,351
End of year	\$ 4,241,084	\$ 4,991,900	\$ 8,826,647	\$ 1,832,965	\$ 1,731,456	\$ 21,624,052

Other Supplementary Information

**Individual Fund Schedules of Revenues,
Expenditures and Changes in
Fund Balances - Budget and Actual**

CITY OF SAINT CHARLES, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - STREET MAINTENANCE AND IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Taxes, including interest and penalties:			
Sales	\$ 2,736,559	\$ 2,870,493	\$ 133,934
Gasoline and motor fuel	2,463,514	2,492,172	28,658
County road and bridge	1,355,407	1,232,372	(123,035)
Total Taxes	<u>6,555,480</u>	<u>6,595,037</u>	<u>39,557</u>
Licenses, Permits, Fines and Fees	33,000	71,497	38,497
In-house engineering	-	191,076	191,076
Interest on investments	-	3,145	3,145
Other	265,500	58,857	(206,643)
Total Revenues	<u>6,853,980</u>	<u>6,919,612</u>	<u>65,632</u>
Expenditures:			
Current:			
General government	1,115,024	1,030,562	84,462
Public works/Public improvements	6,136,343	5,921,995	214,348
Capital outlay	38,993	29,952	9,041
Total Expenditures	<u>7,290,360</u>	<u>6,982,509</u>	<u>307,851</u>
Revenues Under Expenditures	(436,380)	(62,897)	373,483
Other Financing Sources (Uses):			
Proceeds from sale of capital assets	-	126,150	126,150
Transfers in	41,978	41,978	-
Transfers out	(43,905)	(43,905)	-
Total Other Financing Sources (Uses)	<u>(1,927)</u>	<u>124,223</u>	<u>126,150</u>
Net Change in Fund Balances	(438,307)	61,326	499,633
Fund Balances:			
Beginning of Year	<u>3,121,147</u>	<u>3,121,147</u>	<u>-</u>
End of Year	<u>\$ 2,682,840</u>	<u>\$ 3,182,473</u>	<u>\$ 499,633</u>

CITY OF SAINT CHARLES, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - COMMUNITY DEVELOPMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Federal, state and county grants	\$ 502,808	\$ 393,176	\$ (109,632)
Interest on investments	-	76	76
Other	-	25	25
Total Revenues	502,808	393,277	(109,531)
Expenditures:			
Current:			
General government	177,165	92,185	84,980
Public works/Public improvements	223,344	1,976	221,368
Public services	55,600	55,600	-
Capital outlay	581,387	88,087	493,300
Total Expenditures	1,037,496	237,848	799,648
Revenues Over (Under) Expenditures	(534,688)	155,429	690,117
Other Financing Uses:			
Transfers out	-	(72,799)	(72,799)
Net Change in Fund Balances	(534,688)	82,630	617,318
Fund Balances:			
Beginning of Year	2,992,984	2,992,984	-
End of Year	\$ 2,458,296	\$ 3,075,614	\$ 617,318

CITY OF SAINT CHARLES, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - TAX INCREMENT FINANCING (TIF) DISTRICTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Taxes, including interest and penalties:			
Property	\$ 4,792,000	\$ 4,597,041	\$ (194,959)
Utility	52,000	44,178	(7,822)
Sales	1,201,500	1,593,934	392,434
Total Taxes	6,045,500	6,235,153	189,653
Interest on investments	25,000	1,497	(23,503)
Other	40,000	16,982	(23,018)
Total Revenues	6,110,500	6,253,632	143,132
Expenditures:			
Current:			
General government	692,520	528,440	164,080
Debt service:			
Principal retirement	2,200,000	2,151,000	49,000
Interest and fiscal charges	2,551,750	2,476,926	74,824
Total Expenditures	5,444,270	5,156,366	287,904
Revenues Over Expenditures	666,230	1,097,266	431,036
Other Financing Uses:			
Transfers out	(683,500)	(730,489)	(46,989)
Net Change in Fund Balances	(17,270)	366,777	384,047
Fund Balances:			
Beginning of Year	1,336,019	1,336,019	-
End of Year	\$ 1,318,749	\$ 1,702,796	\$ 384,047

CITY OF SAINT CHARLES, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - CONVENTION CENTER OPERATIONS FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Intergovernmental revenue from SCCC & SFA	\$ 2,300,000	\$ 2,878,857	\$ 578,857
Interest on investments	600	428	(172)
Total Revenues	<u>2,300,600</u>	<u>2,879,285</u>	<u>578,685</u>
Expenditures:			
Current:			
Convention center	600,000	1,145,018	(545,018)
Capital outlay	-	577,621	(577,621)
Debt service:			
Principal retirement	1,765,000	1,765,000	-
Interest and fiscal charges	<u>617,175</u>	<u>619,083</u>	<u>(1,908)</u>
Total Expenditures	<u>2,982,175</u>	<u>4,106,722</u>	<u>(1,124,547)</u>
Revenues Under Expenditures	(681,575)	(1,227,437)	(545,862)
Other Financing Sources:			
Transfers in	<u>683,500</u>	<u>730,489</u>	<u>46,989</u>
Net Change in Fund Balances	1,925	(496,948)	(498,873)
Fund Balances:			
Beginning of Year	<u>4,820,431</u>	<u>4,820,431</u>	<u>-</u>
End of Year	<u>\$ 4,822,356</u>	<u>\$ 4,323,483</u>	<u>\$ (498,873)</u>

CITY OF SAINT CHARLES, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - WATER SERVICE LINE FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Water service line fee	\$ 230,328	\$ 236,816	\$ 6,488
Expenditures:			
Current:			
General government	225,661	99,720	125,941
Revenues Over Expenditures	4,667	137,096	132,429
Fund Balances:			
Beginning of Year	-	-	-
End of Year	\$ 4,667	\$ 137,096	\$ 132,429

CITY OF SAINT CHARLES, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - SEWER LATERAL PROGRAM FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Interest on investments	\$ -	\$ 1,233	\$ 1,233
Other	-	345	345
Sewer lateral fee	384,600	380,304	(4,296)
Total Revenues	384,600	381,882	(2,718)
Expenditures:			
Current:			
General government	452,161	409,587	42,574
Revenues Over (Under) Expenditures	(67,561)	(27,705)	39,856
Fund Balances:			
Beginning of Year	1,620,123	1,620,123	-
End of Year	\$ 1,552,562	\$ 1,592,418	\$ 39,856

CITY OF SAINT CHARLES, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - METROPOLITAN PARKS TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Taxes, including interest and penalties:			
Sales	\$ 200,000	\$ 211,533	\$ 11,533
Interest on investments	-	478	478
Total Revenues	200,000	212,011	12,011
Expenditures:			
Capital outlay	645,179	159,595	485,584
Revenues Over (Under) Expenditures	(445,179)	52,416	497,595
Fund Balances:			
Beginning of Year	454,707	454,707	-
End of Year	\$ 9,528	\$ 507,123	\$ 497,595

CITY OF SAINT CHARLES, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - PARK FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Taxes, including interest and penalties:			
Property	\$ 2,955,000	\$ 3,979,136	\$ 1,024,136
Federal, state and county grants	20,000	20,000	-
Licenses, permits, fines and fees	2,525,600	2,045,314	(480,286)
Interest on investments	2,000	-	(2,000)
Other	59,956	113,636	53,680
Total Revenues	5,562,556	6,158,086	595,530
Expenditures:			
Current:			
General government	1,166,401	1,103,555	62,846
Public parks	3,896,147	3,790,808	105,339
Capital outlay	1,377,549	1,188,894	188,655
Total Expenditures	6,440,097	6,083,257	356,840
Revenues Over (Under) Expenditures	(877,541)	74,829	952,370
Other Financing Sources:			
Transfers in	81,938	81,938	-
Proceeds from sale of capital assets	-	1,273	1,273
Total Other Financing Sources	81,938	83,211	1,273
Net Change in Fund Balances	(795,603)	158,040	953,643
Fund Balances:			
Beginning of Year	1,883,989	1,883,989	-
End of Year	\$ 1,088,386	\$ 2,042,029	\$ 953,643

CITY OF SAINT CHARLES, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - TOURISM FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Taxes, including interest and penalties:			
Tourism	\$ 2,404,856	\$ 2,617,991	\$ 213,135
Hotel	270,445	317,705	47,260
Total Taxes	<u>2,675,301</u>	<u>2,935,696</u>	<u>260,395</u>
Federal, state and county grants	369,905	180,080	(189,825)
Sale of advertising	66,000	64,619	(1,381)
Interest on investments	-	2,109	2,109
Other	<u>54,817</u>	<u>129,387</u>	<u>74,570</u>
Total Revenues	<u>3,166,023</u>	<u>3,311,891</u>	<u>145,868</u>
Expenditures:			
Current:			
General government	3,536,101	2,835,329	700,772
Capital outlay	<u>631,946</u>	<u>256,529</u>	<u>375,417</u>
Total Expenditures	<u>4,168,047</u>	<u>3,091,858</u>	<u>1,076,189</u>
Revenues Over (Under) Expenditures	(1,002,024)	220,033	1,222,057
Other Financing Sources (Uses):			
Transfers in	55,377	55,377	-
Transfers out	<u>(115,385)</u>	<u>(115,385)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(60,008)</u>	<u>(60,008)</u>	<u>-</u>
Net Change in Fund Balances	(1,062,032)	160,025	1,222,057
Fund Balances:			
Beginning of Year	<u>2,177,653</u>	<u>2,177,653</u>	<u>-</u>
End of Year	<u>\$ 1,115,621</u>	<u>\$ 2,337,678</u>	<u>\$ 1,222,057</u>

CITY OF SAINT CHARLES, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - SPECIAL BUSINESS DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Taxes, including interest and penalties:			
Property	\$ 33,900	\$ 35,241	\$ 1,341
Licenses, permits, fines, fees and other	16,850	15,895	(955)
Interest on investments	350	1,088	738
Total Revenues	51,100	52,224	1,124
Expenditures:			
Current:			
General government	46,640	24,326	22,314
Capital outlay	9,050	4,373	4,677
Total Expenditures	55,690	28,699	26,991
Revenues Over (Under) Expenditures	(4,590)	23,525	28,115
Fund Balances:			
Beginning of Year	203,907	203,907	-
End of Year	\$ 199,317	\$ 227,432	\$ 28,115

CITY OF SAINT CHARLES, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL OBLIGATION DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Property taxes, including interest and penalties	\$ 2,051,934	\$ 2,766,838	\$ 714,904
Interest on investments	-	2,688	2,688
Total Revenues	2,051,934	2,769,526	717,592
Expenditures:			
Principal retirement	1,345,000	1,345,000	-
Interest and fiscal charges	664,060	537,038	127,022
Bond issue costs	-	230	(230)
Total Expenditures	2,009,060	1,882,268	126,792
Revenues Over Expenditures	42,874	887,258	844,384
Other Financing Uses:			
Transfers out	-	(125,897)	125,897
Net Change in Fund Balances	42,874	761,361	718,487
Fund Balances:			
Beginning of Year	3,119,829	3,119,829	-
End of Year	\$ 3,162,703	\$ 3,881,190	\$ 718,487

CITY OF SAINT CHARLES, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Taxes, including interest and penalties:			
Sales	\$ 5,000,000	\$ 5,485,202	\$ 485,202
Interest on investments	-	3,674	3,674
Other	5,960	5,949	(11)
Total Revenues	5,005,960	5,494,825	488,865
Expenditures:			
Capital outlay:			
Administrative	848,249	552,707	295,542
Community development	45,500	42,518	2,982
Cemetery	30,500	9,240	21,260
Building maintenance	130,000	59,896	70,104
Street improvements	6,645,993	4,473,672	2,172,321
Fire department	642,813	407,622	235,191
Police department	651,162	302,594	348,568
Total Capital Outlay	8,994,217	5,848,249	3,145,968
Debt service:			
Principal retirement	220,680	220,680	-
Interest and fiscal charges	59,386	59,386	-
Total Debt Service	280,066	280,066	-
Total Expenditures	9,274,283	6,128,315	3,145,968
Revenues Over (Under) Expenditures	(4,268,323)	(633,490)	3,634,833
Other Financing Sources (Uses):			
Transfers in	2,500,000	2,500,000	-
Transfers out	(16,417)	(16,417)	-
Proceeds from sale of capital assets	-	2,450	2,450
Total Other Financing Sources (Uses)	2,483,583	2,486,033	2,450
Net Change in Fund Balances	(1,784,740)	1,852,543	3,637,283
Fund Balances:			
Beginning of Year	2,388,541	2,388,541	-
End of Year	\$ 603,801	\$ 4,241,084	\$ 3,637,283

CITY OF SAINT CHARLES, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - SPECIAL STREET CONSTRUCTION FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Federal, state and county grants	\$ 21,891,918	\$ 4,819,778	\$ (17,072,140)
Expenditures:			
Capital outlay:			
Street improvements	21,187,144	4,819,778	16,367,366
Net Change in Fund Balances	704,774	-	(704,774)
Fund Balances:			
Beginning of Year	-	-	-
End of Year	\$ 704,774	\$ -	\$ (704,774)

CITY OF SAINT CHARLES, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - STREET CONSTRUCTION FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Taxes, including interest and penalties:			
Gaming	\$ 3,229,000	\$ 1,832,798	\$ (1,396,202)
Interest on investments	-	8,241	8,241
Other	372,546	1,959,648	1,587,102
Total Revenues	<u>3,601,546</u>	<u>3,800,687</u>	<u>199,141</u>
Expenditures:			
Capital outlay:			
Street improvements	<u>6,728,708</u>	<u>2,522,644</u>	<u>4,206,064</u>
Revenues Over (Under) Expenditures	(3,127,162)	1,278,043	4,405,205
Other Financing Sources (Uses):			
Transfers in	-	1,268,382	1,268,382
Transfers out	<u>(2,691,870)</u>	<u>(2,691,870)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(2,691,870)</u>	<u>(1,423,488)</u>	<u>1,268,382</u>
Net Change in Fund Balances	(5,819,032)	(145,445)	5,673,587
Fund Balances:			
Beginning of Year	<u>8,972,092</u>	<u>8,972,092</u>	<u>-</u>
End of Year	<u>\$ 3,153,060</u>	<u>\$ 8,826,647</u>	<u>\$ 5,673,587</u>

CITY OF SAINT CHARLES, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - MAJOR FACILITIES FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Taxes, including interest and penalties:			
Gaming	\$ 310,500	\$ 310,500	\$ -
Interest	-	2,108	2,108
Total Revenues	310,500	312,608	2,108
Expenditures:			
General government:			
Public works/Public improvements	21,600	21,600	-
Total General Government	21,600	21,600	-
Capital outlay:			
Administrative	80,000	-	80,000
Building maintenance	110,739	103,427	7,312
Fire department	82,832	76,747	6,085
Cemetery	1,600	1,444	156
Public works	-	-	-
Parks	276,277	55,482	220,795
Total Capital Outlay	551,448	237,100	314,348
Debt service:			
Principal retirement	85,000	85,000	-
Interest and fiscal charges	43,725	43,725	-
Total Debt Service	128,725	128,725	-
Total Expenditures	701,773	387,425	314,348
Revenues Under Expenditures	(391,273)	(74,817)	316,456
Other Financing Uses:			
Transfers out	(315,856)	(315,856)	-
Total Other Financing Uses	(315,856)	(315,856)	-
Net Change in Fund Balances	(707,129)	(390,673)	316,456
Fund Balances:			
Beginning of Year	2,223,638	2,223,638	-
End of Year	\$ 1,516,509	\$ 1,832,965	\$ 316,456

CITY OF SAINT CHARLES, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - STORMWATER FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Taxes, including interest and penalties:			
Gaming	\$ 1,007,000	\$ 1,007,000	\$ -
Interest on investments	-	2,212	2,212
Other	630,848	604,861	(25,987)
Total Revenues	1,637,848	1,614,073	(23,775)
Expenditures:			
Current:			
General government	127,700	37,283	90,417
Capital outlay	2,734,461	1,095,511	1,638,950
Debt service:			
Principal retirement	719,300	718,200	1,100
Interest and fiscal charges	103,104	170,051	(66,947)
Bond issue costs	14,007	13,573	434
Total Expenditures	3,698,572	2,034,618	1,663,954
Revenues Under Expenditures	(2,060,724)	(420,545)	1,640,179
Other Financing Sources (Uses):			
Proceeds from refunding bond issue	1,563,097	1,514,700	(48,397)
Payment to refunding escrow agent	(1,989,600)	(1,989,600)	-
Premium on debt issuance	22,472	21,776	(696)
Total Other Financing Sources (Uses)	(404,031)	(453,124)	(49,093)
Net Change in Fund Balances	(2,464,755)	(873,669)	1,591,086
Fund Balances:			
Beginning of Year	2,605,125	2,605,125	-
End of Year	\$ 140,370	\$ 1,731,456	\$ 1,591,086

CITY OF SAINT CHARLES, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL OBLIGATION
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Interest on investments	\$ -	\$ 10,936	\$ 10,936
Expenditures:			
Capital outlay	13,845,072	5,713,451	8,131,621
Revenues Under Expenditures	(13,845,072)	(5,702,515)	(8,120,685)
Other Financing Uses:			
Transfers out	-	(3,333,540)	(3,333,540)
Net Change in Fund Balances	(13,845,072)	(9,036,055)	4,809,017
Fund Balances:			
Beginning of Year	14,027,955	14,027,955	-
End of Year	\$ 182,883	\$ 4,991,900	\$ 4,809,017

CITY OF SAINT CHARLES, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NEIGHBORHOOD IMPROVEMENT
DISTRICT CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Interest on investments	\$ -	\$ 3,004	\$ 3,004
Other	2,000	3,497	1,497
Total Revenues	2,000	6,501	4,501
Expenditures:			
General government	3,904	3,497	407
Capital outlay	5,885,874	3,552,841	2,333,033
Total Expenditures	5,889,778	3,556,338	2,333,440
Revenues Under Expenditures	(5,887,778)	(3,549,837)	2,337,941
Other Financing Sources (Uses):			
Proceeds from debt issuance	2,492,504	2,492,504	-
Discount on debt issuance	(14,943)	(14,943)	-
Transfers in	208,287	208,287	-
Total Other Financing Sources (Uses)	2,685,848	2,685,848	-
Net Change in Fund Balances	(3,201,930)	(863,989)	2,337,941
Fund Balances:			
Beginning of Year	3,291,980	3,291,980	-
End of Year	\$ 90,050	\$ 2,427,991	\$ 2,337,941

CITY OF SAINT CHARLES, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NEIGHBORHOOD IMPROVEMENT DISTRICT
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Special assessment	\$ 3,684,870	\$ 3,956,325	\$ 271,455
Interest on investments	9,000	26,790	17,790
Other	15,080	15,060	(20)
Total Revenues	3,708,950	3,998,175	289,225
Expenditures:			
Principal	1,895,000	1,895,000	-
Interest and fiscal charges	1,698,360	1,701,230	(2,870)
Bond issue costs	96,882	96,142	740
Other	21,100	17,111	3,989
Total Expenditures	3,711,342	3,709,483	1,859
Revenues Over Expenditures	(2,392)	288,692	291,084
Other Financing Sources:			
Proceeds from debt issuance	432,496	432,496	-
Net Change in Fund Balances	430,104	721,188	291,084
Fund Balances:			
Beginning of Year	7,972,693	7,972,693	-
End of Year	\$ 8,402,797	\$ 8,693,881	\$ 291,084

Other Supplementary Information

Combining Fiduciary Fund Statements And Schedules

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and other funds.

Agency Funds

Agency funds are used to account for the changes in assets and liabilities related to contractor's guarantee, bail bond deposits and the Mark Twain Mall Transportation Development District (TDD).

CITY OF SAINT CHARLES, MISSOURI

**COMBINING STATEMENT OF ASSETS AND LIABILITIES -
FIDUCIARY (AGENCY) FUNDS
DECEMBER 31, 2014**

	<u>Contractors' Guarantee</u>	<u>Bail Bond</u>	<u>Mark Twain Mall TDD</u>	<u>Total</u>
Assets:				
Cash and investments - restricted	<u>\$ 1,026,499</u>	<u>\$ 132,366</u>	<u>\$ 770,005</u>	<u>\$ 1,928,870</u>
Liabilities:				
Due to other taxing districts	\$ -	\$ -	\$ 770,005	\$ 770,005
Deposits payable held in escrow	<u>1,026,499</u>	<u>132,366</u>	<u>-</u>	<u>1,158,865</u>
Total Liabilities	<u>\$ 1,026,499</u>	<u>\$ 132,366</u>	<u>\$ 770,005</u>	<u>\$ 1,928,870</u>

CITY OF SAINT CHARLES, MISSOURI

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
FIDUCIARY (AGENCY) FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Balance January 1, 2014	Additions	Deductions	Balance December 31, 2014
Contractors' Guarantee:				
Assets - cash and investments - restricted	<u>\$ 1,039,962</u>	<u>\$ 279,248</u>	<u>\$ 292,711</u>	<u>\$ 1,026,499</u>
Liabilities - deposits payable held in escrow	<u>\$ 1,039,962</u>	<u>\$ 279,248</u>	<u>\$ 292,711</u>	<u>\$ 1,026,499</u>
Bail Bond:				
Assets - cash and investments - restricted	<u>\$ 127,986</u>	<u>\$ 65,502</u>	<u>\$ 61,122</u>	<u>\$ 132,366</u>
Liabilities - deposits payable held in escrow	<u>\$ 127,986</u>	<u>\$ 65,502</u>	<u>\$ 61,122</u>	<u>\$ 132,366</u>
Mark Twain Mall TDD:				
Assets - cash and investments - restricted	<u>\$ 1,393,915</u>	<u>\$ 654,189</u>	<u>\$ 1,278,099</u>	<u>\$ 770,005</u>
Liabilities - due to other taxing districts	<u>\$ 1,393,915</u>	<u>\$ 654,189</u>	<u>\$ 1,278,099</u>	<u>\$ 770,005</u>
Totals - All Agency Funds				
Assets - Cash and investments - restricted	<u>\$ 2,561,863</u>	<u>\$ 998,939</u>	<u>\$ 1,631,932</u>	<u>\$ 1,928,870</u>
Liabilities:				
Due to other taxing units	<u>\$ 1,393,915</u>	<u>\$ 654,189</u>	<u>\$ 1,278,099</u>	<u>\$ 770,005</u>
Deposits payable held in escrow	<u>1,167,948</u>	<u>344,750</u>	<u>353,833</u>	<u>1,158,865</u>
Total Liabilities	<u>\$ 2,561,863</u>	<u>\$ 998,939</u>	<u>\$ 1,631,932</u>	<u>\$ 1,928,870</u>



Part III – Statistical Section

CITY OF SAINT CHARLES, MISSOURI

Statistical Section

This part of the City of Saint Charles' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents

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Financial Trends

These pages contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

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Revenue Capacity

These pages contain information to help the reader assess the City's most significant local revenue sources.

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Debt Capacity

These pages present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

115

Demographic and Economic Information

These pages offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

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Operating Information

These pages contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

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Sources: Unless otherwise noted, the information in this section is derived from the comprehensive annual financial reports for the relevant year.

CITY OF SAINT CHARLES, MISSOURI
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

TABLE 1

	2014	2013 (7)	2012 (6)	2011 (5)	2010	2009	2008 (4)	2007 (3)	2006 (2)	2005
Governmental activities										
Invested in capital assets, net of related debt	\$185,786,469	\$177,409,123	\$184,592,926	\$183,149,225	\$172,785,636	\$165,520,666	\$158,523,468	\$150,574,557	\$95,771,631	\$87,355,069
Restricted for capital projects	4,925,881	2,354,503	4,253,624	5,163,978	3,972,461	3,823,876	4,757,277	5,672,306	5,467,387	10,151,983
Restricted for debt service	20,490,848	27,878,221	31,327,065	18,287,902	4,591,629	4,290,286	3,035,191	3,067,993	2,883,361	2,127,819
Restricted for community development (1)	3,075,614	2,992,984	3,189,494	2,954,022	3,029,660	2,931,204	2,732,953	2,569,850	2,542,706	2,533,295
Restricted for DWI drug enforcement (1)	85,766	112,580	99,286	83,611	57,181	27,807	114,558	92,382	75,827	172,413
Restricted for DAG forfeiture	122,263	200,684	242,552	258,227	747,638	898,609	184,967	314,827	349,601	-
Restricted for non-expendable permanent fund (cemetery) (1)	362,842	233,912	233,912	233,912	233,912	233,912	233,912	233,912	233,912	233,912
Restricted for expendable cemetery	233,912	341,699	310,193	293,137	-	-	-	-	-	-
Restricted for street maintenance and improvement	3,182,473	3,121,147	2,823,322	2,419,506	-	-	-	-	-	-
Restricted for sewer lateral projects	1,729,514	1,620,123	1,705,621	1,612,091	-	-	-	-	-	-
Restricted for parks	2,749,836	3,391,219	4,577,655	5,444,733	-	-	-	-	-	-
Restricted for tourism	2,337,678	2,177,653	1,953,307	1,684,657	-	-	-	-	-	-
Restricted for special business district	227,432	203,907	206,098	162,025	-	-	-	-	-	-
Restricted for other purposes	-	-	-	-	-	-	-	-	-	12,250
Unrestricted	(13,199,664)	(14,653,531)	(18,411,089)	(20,394,007)	2,574,957	4,157,966	1,323,395	(2,914,638)	(8,933,197)	(29,533,564)
Total governmental activities net assets	\$ 212,110,864	\$ 207,384,224	\$ 217,103,966	\$ 201,353,019	\$ 187,993,074	\$ 181,884,326	\$ 170,905,721	\$ 159,611,189	\$ 98,391,228	\$ 73,053,177
Business-type activities										
Invested in capital assets, net of related debt	\$ 41,964,586	\$ 41,519,185	\$ 37,290,793	\$ 35,386,348	\$ 34,729,731	\$ 35,065,784	\$ 30,768,229	\$ 29,419,448	\$ 27,430,893	\$ 21,334,662
Restricted for capital projects	-	-	-	-	-	-	-	-	-	-
Restricted for debt service	-	-	230,570	23,925	116,290	5,504	99,703	162,913	88,991	50,188
Unrestricted	19,877,007	19,007,127	19,210,342	17,436,864	16,366,123	15,527,262	17,431,682	17,786,174	17,273,040	15,469,910
Total business-type activities net assets	\$ 61,841,593	\$ 60,526,312	\$ 56,731,705	\$ 52,847,137	\$ 51,212,144	\$ 50,598,550	\$ 48,299,614	\$ 47,368,535	\$ 44,792,924	\$ 36,854,760
Primary government										
Invested in capital assets, net of related debt	\$ 227,751,055	\$ 218,928,308	\$ 221,883,719	\$ 218,535,573	\$ 207,515,367	\$ 200,586,450	\$ 189,291,697	\$ 179,994,005	\$ 123,202,524	\$ 108,689,731
Restricted for capital projects	4,925,881	2,354,503	4,253,624	5,163,978	3,972,461	3,823,876	4,757,277	5,672,306	5,467,387	10,151,983
Restricted for debt service	20,490,848	27,878,221	31,557,635	18,311,827	4,707,919	4,295,790	3,134,894	3,230,906	2,972,352	2,178,007
Restricted for community development	3,075,614	2,992,984	3,189,494	2,954,022	3,029,660	2,931,204	2,732,953	2,569,850	2,542,706	2,533,295
Restricted for DWI drug enforcement	85,766	112,580	99,286	83,611	57,181	27,807	114,558	92,382	75,827	172,413
Restricted for DAG forfeiture	122,263	200,684	242,552	258,227	747,638	898,609	184,967	314,827	349,601	-
Restricted for non-expendable permanent fund (cemetery) (1)	362,842	233,912	233,912	233,912	233,912	233,912	233,912	233,912	233,912	233,912
Restricted for expendable cemetery	233,912	341,699	310,193	293,137	-	-	-	-	-	-
Restricted for street maintenance and improvement	3,182,473	3,121,147	2,823,322	2,419,506	-	-	-	-	-	-
Restricted for sewer lateral projects	1,729,514	1,620,123	1,705,621	1,612,091	-	-	-	-	-	-
Restricted for parks	2,749,836	3,391,219	4,577,655	5,444,733	-	-	-	-	-	-
Restricted for tourism	2,337,678	2,177,653	1,953,307	1,684,657	-	-	-	-	-	-
Restricted for special business district	227,432	203,907	206,098	162,025	-	-	-	-	-	-
Restricted for other purposes	-	-	-	-	-	-	-	-	-	12,250
Unrestricted	6,677,343	4,353,596	799,253	(2,957,143)	18,941,080	19,685,228	18,755,077	14,871,536	8,339,843	(14,063,654)
Total primary government net assets	\$ 273,952,457	\$ 267,910,536	\$ 273,835,671	\$ 254,200,156	\$ 239,205,218	\$ 232,482,876	\$ 219,205,335	\$ 206,979,724	\$ 143,184,152	\$ 109,907,937

Notes:

- (1) Prior to 2005, amounts restricted for community development, DWI drug enforcement & non-expendable permanent fund were included with restricted for other purposes.
- (2) The following prior period adjustments were made in fiscal 2006:
Governmental activities - Unrestricted was increased by \$11,026,579 to recognize revenue previously deferred.
Business-type activities - Invested in capital assets was increased by \$3,891,427 to correct useful lives used to calculate depreciation for certain assets.
- (3) In fiscal year 2007, a \$51,348,361 prior period adjustment was made to retroactively report infrastructure assets, net of accumulated depreciation, as required by GASB 34.
- (4) In fiscal year 2008, a \$1,927,731 prior period adjustment was made to remove assets previously capitalized in error.
- (5) In fiscal year 2011, GASB 54 was implemented.
- (6) In fiscal year 2012, GASB 63 was implemented.
- (7) In fiscal year 2013, GASB 65 was implemented.

Source: Basic financial statements

CITY OF SAINT CHARLES, MISSOURI

TABLE 2

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Expenses										
Governmental activities:										
General government	\$ 16,742,085	\$ 16,622,958	\$ 15,414,456	\$ 16,177,153	\$ 16,041,176	\$ 16,153,605	\$ 17,049,390	\$ 13,456,252	\$ 12,980,521	\$ 12,264,139
Public Works/Public Improvements	23,632,479	31,207,775	24,091,753	17,357,806	21,008,643	14,732,825	17,776,765	14,489,421	9,058,329	5,524,332
Public parks	5,312,108	5,007,220	4,253,697	4,361,315	4,473,008	4,206,778	4,255,887	4,382,364	4,092,887	3,833,978
Public safety	33,605,293	31,542,620	31,452,633	31,839,473	32,697,181	30,379,874	29,237,521	28,597,157	27,578,308	26,491,860
Public services	55,600	264,158	46,000	187,175	-	-	-	-	-	-
Convention center	1,779,409	1,200,723	2,374,263	1,412,305	1,240,348	1,448,764	989,378	1,357,286	1,209,135	1,370,969
Other (1)	-	-	-	-	-	-	-	-	-	5,808,298
Interest on long-term debt	4,313,881	4,324,334	3,401,252	3,977,648	4,116,922	4,353,240	4,565,843	4,741,254	4,841,175	4,956,094
Total governmental activities expenses	85,440,855	90,169,788	81,034,054	75,312,875	79,577,278	71,275,086	73,874,784	67,023,734	59,760,355	60,249,670
Business-type activities:										
Waterworks	8,387,485	7,217,809	6,334,657	6,951,921	6,681,023	6,245,773	6,076,732	6,211,383	6,134,348	6,199,809
Sanitary sewer	16,620,100	11,333,119	9,245,514	10,185,096	8,036,718	6,657,857	6,837,920	6,928,296	6,408,356	6,790,298
Parking facilities	458,952	400,769	401,365	411,109	453,444	420,193	388,980	384,501	372,060	365,542
Total business-type activities expenses	25,466,537	18,951,697	15,981,536	17,548,126	15,171,185	13,323,823	13,303,632	13,524,180	12,914,764	13,355,649
Total primary government expenses	\$ 110,907,392	\$ 109,121,485	\$ 97,015,590	\$ 92,861,001	\$ 94,748,463	\$ 84,598,909	\$ 87,178,416	\$ 80,547,914	\$ 72,675,119	\$ 73,605,319
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,952,516	\$ 1,151,472	\$ 1,371,037	\$ 1,088,839	\$ 949,742	\$ 910,880	\$ 1,310,877	\$ 1,541,834	\$ 2,973,874	\$ 1,305,823
Public Works/Public Improvements	879,693	618,711	684,680	714,751	622,901	756,077	672,175	786,834	470,819	773,398
Public parks	2,158,950	2,031,473	2,268,580	2,266,663	2,277,489	2,124,967	2,059,550	1,961,797	1,909,491	1,970,303
Public safety	2,416,006	2,479,109	2,328,620	2,292,945	2,445,638	2,228,689	2,188,940	1,892,496	2,064,277	2,033,627
Other	-	-	-	-	-	-	-	-	-	23,469
Operating grants and contributions	7,474,005	7,859,788	7,301,044	6,529,503	6,927,969	6,008,150	5,916,646	6,273,362	6,325,740	5,532,089
Capital grants and contributions	13,830,964	8,059,608	23,132,565	15,775,120	12,733,907	9,055,250	9,003,700	3,991,851	3,442,547	5,591,847
Total governmental activities program revenues	28,712,134	22,200,161	37,086,526	28,667,821	25,957,646	21,084,013	21,151,888	16,448,174	17,186,748	17,230,556
Business-type activities:										
Charges for services:										
Waterworks	9,015,282	8,221,611	8,078,214	7,478,099	6,466,303	5,671,106	5,603,871	6,038,674	5,995,693	5,634,814
Sanitary sewer	11,615,272	10,741,851	9,549,837	9,353,447	8,388,128	6,958,917	6,540,055	6,542,328	6,597,421	6,261,207
Parking facilities	103,801	156,760	172,224	161,822	187,138	194,711	187,626	209,552	190,299	212,588
Operating grants and contributions	-	-	-	-	-	(330)	6,597	12,106	9,093	-
Capital grants and contributions	984,059	3,070,434	657,506	256,884	870,317	2,787,506	1,118,705	2,268,138	1,197,933	853,836
Total business-type activities program revenues	21,718,414	22,190,656	18,457,781	17,250,252	15,911,886	15,611,910	13,456,854	15,070,798	13,990,439	12,962,445
Total primary government program revenues	\$ 50,430,548	\$ 44,390,817	\$ 55,544,307	\$ 45,918,073	\$ 41,869,532	\$ 36,695,923	\$ 34,608,742	\$ 31,518,972	\$ 31,177,187	\$ 30,193,001

CITY OF SAINT CHARLES, MISSOURI
CHANGES IN NET POSITION (continued)
LAST TEN FISCAL YEARS
(accrual basis of accounting)

TABLE 2

	2014	2013	2012	2011	2010	2009	2007	2006	2005	2004
Net (Expense)/Revenue										
Governmental activities	\$ (56,728,721)	\$ (67,969,627)	\$ (43,947,528)	\$ (46,645,054)	\$ (53,619,632)	\$ (50,191,073)	\$ (52,722,896)	\$ (50,575,560)	\$ (42,573,607)	\$ (43,019,114)
Business-type activities	(3,748,123)	3,238,959	2,476,245	(297,874)	740,701	2,288,087	153,222	1,546,618	1,075,675	(393,204)
Total primary government net expense	<u>\$ (60,476,844)</u>	<u>\$ (64,730,668)</u>	<u>\$ (41,471,283)</u>	<u>\$ (46,942,928)</u>	<u>\$ (52,878,931)</u>	<u>\$ (47,902,986)</u>	<u>\$ (52,569,674)</u>	<u>\$ (49,028,942)</u>	<u>\$ (41,497,932)</u>	<u>\$ (43,412,318)</u>
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes levied for general purposes	\$ 7,303,801	\$ 6,849,854	\$ 6,674,664	\$ 6,643,742	\$ 6,682,310	\$ 6,742,004	\$ 7,022,380	\$ 6,743,625	\$ 6,291,682	\$ 6,001,042
Property taxes levied for parks	3,127,297	2,945,983	2,971,445	2,956,981	2,946,761	2,980,602	3,105,543	2,987,271	2,786,472	2,657,945
Property taxes levied for debt service	2,174,866	2,049,073	2,066,891	2,056,881	2,042,879	2,066,835	2,154,350	2,070,976	1,835,025	1,741,973
Sales taxes levied for general purposes	11,483,052	10,493,257	10,402,644	10,460,042	9,671,590	10,049,380	10,463,377	10,602,423	10,091,802	10,177,180
Sales taxes levied for capital improvements	5,485,202	5,026,135	4,957,456	4,958,750	4,641,048	4,805,399	5,010,007	5,080,299	4,823,380	4,899,236
Gaming taxes	11,983,798	12,310,262	13,155,684	13,417,478	13,904,213	15,050,008	14,830,073	14,849,193	15,691,542	16,302,297
Utility taxes	8,533,576	8,347,125	8,095,724	8,574,604	9,026,740	8,957,678	11,088,264	6,382,162	6,140,414	6,357,907
Tourism and hotel taxes	2,935,696	2,693,935	2,615,312	2,422,571	2,314,842	2,268,308	2,369,517	2,228,276	2,107,564	1,898,118
Other taxes	1,453,733	1,924,161	1,718,106	1,675,028	1,654,360	1,624,282	1,597,054	1,564,143	1,489,386	1,464,606
TIF revenues	6,235,153	5,629,536	5,929,785	5,900,961	5,518,594	5,195,093	5,328,202	4,142,416	3,975,931	3,182,962
Earnings on investments	155,401	164,159	209,050	361,132	834,275	957,553	3,044,142	3,368,267	2,722,706	1,336,443
Gain (loss) on sale of capital assets	-	-	57,246	-	-	-	9,555	-	41,893	74,317
Gain on the extinguishment of debt	828,000	-	-	-	-	-	-	-	-	-
Other revenues	2,939,372	294,044	324,468	80,829	23,048	22,536	74,695	20,109	39,323	76,170
Transfers	(3,183,586)	613,810	520,000	496,000	467,720	450,000	(152,000)	408,000	(1,152,041)	247,277
Special Item - transfer of convention center assets	-	-	-	-	-	-	-	-	-	(27,740,817)
Total governmental activities	<u>61,455,361</u>	<u>59,341,334</u>	<u>59,698,475</u>	<u>60,004,999</u>	<u>59,728,380</u>	<u>61,169,678</u>	<u>65,945,159</u>	<u>60,447,160</u>	<u>56,885,079</u>	<u>28,676,656</u>
Business-type activities:										
Earnings on investments	15,185	15,885	23,920	69,925	15,612	21,771	288,691	1,094,770	1,431,913	964,169
Gain on sale of capital assets	-	-	900	-	3,916	109,356	6,905	-	4,612	1,660
Other revenues	1,864,633	2,051,501	1,903,503	2,358,942	321,085	329,722	330,261	342,223	382,496	316,698
Transfers	3,183,586	(613,810)	(520,000)	(496,000)	(467,720)	(450,000)	152,000	(408,000)	1,152,041	(247,277)
Total business-type activities	<u>5,063,404</u>	<u>1,453,576</u>	<u>1,408,323</u>	<u>1,932,867</u>	<u>(127,107)</u>	<u>10,849</u>	<u>777,857</u>	<u>1,028,993</u>	<u>2,971,062</u>	<u>1,035,250</u>
Total primary government	<u>\$ 66,518,765</u>	<u>\$ 60,794,910</u>	<u>\$ 61,106,798</u>	<u>\$ 61,937,866</u>	<u>\$ 59,601,273</u>	<u>\$ 61,180,527</u>	<u>\$ 66,723,016</u>	<u>\$ 61,476,153</u>	<u>\$ 59,856,141</u>	<u>\$ 29,711,906</u>

CITY OF SAINT CHARLES, MISSOURI
CHANGES IN NET POSITION (continued)
LAST TEN FISCAL YEARS
(accrual basis of accounting)

TABLE 2

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Change in Net Assets										
Governmental activities	\$ 4,726,640	\$ (8,628,293)	\$ 15,750,947	\$ 13,359,945	\$ 6,108,748	\$ 10,978,605	\$ 13,222,263	\$ 9,871,600	\$ 14,311,472	\$ (14,342,458)
Business-type activities	1,315,281	4,692,535	3,884,568	1,634,993	613,594	2,298,936	931,079	2,575,611	4,046,737	642,046
Total primary government	\$ 6,041,921	\$ (3,935,758)	\$ 19,635,515	\$ 14,994,938	\$ 6,722,342	\$ 13,277,541	\$ 14,153,342	\$ 12,447,211	\$ 18,358,209	\$ (13,700,412)
Total Primary Government Net Assets										
Governmental activities										
Net assets, beginning	\$ 207,384,224	\$ 217,103,966	\$ 201,353,019	\$ 187,993,074	\$ 181,884,326	\$ 170,905,721	\$ 159,611,189	\$ 98,391,228	\$ 73,053,177	\$ 87,395,635
Prior period adjustment	-	(1,091,449)	-	-	-	-	(1,927,731)	51,348,361	11,026,579	-
Net assets, beginning, as restated	207,384,224	216,012,517	201,353,019	187,993,074	181,884,326	170,905,721	157,683,458	149,739,589	84,079,756	87,395,635
Net assets, ending	212,110,864	207,384,224	217,103,966	201,353,019	187,993,074	181,884,326	170,905,721	159,611,189	98,391,228	73,053,177
Total Business-Type Assets										
Business activities										
Net assets, beginning	60,526,312	56,731,705	52,847,137	51,212,144	50,598,550	48,299,614	47,368,535	44,792,924	36,854,760	36,212,714
Prior period adjustment	-	(897,928)	-	-	-	-	-	-	3,891,427	-
Net assets, beginning, as restated	60,526,312	55,833,777	52,847,137	51,212,144	50,598,550	48,299,614	47,368,535	44,792,924	40,746,187	36,212,714
Net assets, ending	61,841,593	60,526,312	56,731,705	52,847,137	51,212,144	50,598,550	48,299,614	47,368,535	44,792,924	36,854,760
Total primary government net assets	\$ 273,952,457	\$ 267,910,536	\$ 273,835,671	\$ 254,200,156	\$ 239,205,218	\$ 232,482,876	\$ 219,205,335	\$ 206,979,724	\$ 143,184,152	\$ 109,907,937

(1) Prior to 2006, governmental expenses related to governmental activities are classified by object of expenditure rather than by function.

CITY OF SAINT CHARLES, MISSOURI
FUND BALANCES, GOVERNMENT FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

TABLE 3

	Fiscal Year									
	2014	2013	2012	2011 (1)	2010	2009	2008	2007	2006	2005
General Fund										
Reserved for encumbrances	\$ -	\$ -	\$ -	\$ -	\$ 1,758,813	\$ 1,699,213	\$ 801,753	\$ 691,694	\$ 508,080	\$ 716,175
Reserved for DWI drug enforcement	-	-	-	-	57,181	27,807	114,558	92,382	75,827	172,413
Reserved for DAG forfeiture	-	-	-	-	747,638	898,609	184,967	314,827	349,601	-
Reserved for gaming	-	-	-	-	-	-	1,733,000	528,000	528,000	478,000
Reserved for tree bank	-	-	-	-	12,250	12,250	12,250	12,250	12,250	12,250
Unreserved	-	-	-	-	12,890,004	16,432,806	19,318,783	17,101,306	15,962,398	13,023,487
Nonspendable - prepaid	1,702	-	-	-	-	-	-	-	-	-
Restricted for DAG forfeiture	122,263	200,684	242,552	258,227	-	-	-	-	-	-
Restricted for DWI recoupment	85,766	112,580	99,286	83,611	-	-	-	-	-	-
Assigned for encumbrances	89,556	95,462	283,950	952,817	-	-	-	-	-	-
Assigned for redevelopment	820,310	835,746	737,927	735,689	-	-	-	-	-	-
Assigned for beautification	21,445	32,852	51,817	75,908	-	-	-	-	-	-
Unassigned	13,298,036	11,054,212	10,804,086	11,018,881	-	-	-	-	-	-
Total General Fund	\$ 14,439,078	\$ 12,331,536	\$ 12,219,618	\$ 13,125,133	\$ 15,465,886	\$ 19,070,685	\$ 22,165,311	\$ 18,740,459	\$ 17,436,156	\$ 14,402,325
All Other Governmental Funds										
Reserved for encumbrances	\$ -	\$ -	\$ -	\$ -	\$ 7,367,150	\$ 8,968,841	\$ 5,399,514	\$ 10,630,516	\$ 4,372,696	\$ 8,889,901
Reserved for advance to state	-	-	-	-	-	-	-	-	-	-
Reserved for capital projects	-	-	-	-	-	13,928,432	14,773,233	13,352,255	17,515,589	15,298,731
Reserved for home improvement loans	-	-	-	-	3,029,660	2,931,204	2,732,953	2,569,850	2,542,706	2,533,295
Reserved for debt service	-	-	-	-	4,656,435	9,035,919	8,614,852	7,830,920	7,940,449	6,967,471
Reserved for future purchase of cemetery land	-	-	-	-	233,912	233,912	233,912	233,913	233,912	233,912
Reserved for advances to other funds	-	-	-	-	-	-	-	85,000	170,000	215,000
Unreserved, reported in										
Special revenue funds	-	-	-	-	13,528,108	16,607,381	16,996,239	16,033,029	15,098,792	14,517,869
Permanent fund	-	-	-	-	260,707	246,180	235,089	223,078	202,254	167,036
Debt service funds	-	-	-	-	5,795,906	-	-	-	-	-
Capital projects funds	-	-	-	-	15,242,202	(1,202,763)	(302,292)	(2,201,501)	(76,345)	-
Nonspendable - cemetery	233,912	233,912	233,912	233,912	-	-	-	-	-	-
Nonspendable - prepaid	55,517	-	-	-	-	-	-	-	-	-
Restricted for street maintenance and improvement	3,182,473	3,121,147	2,823,322	2,419,506	-	-	-	-	-	-
Restricted for community development	3,075,614	2,992,984	3,189,494	2,954,022	-	-	-	-	-	-
Restricted for TIF projects and debt obligations	1,702,796	1,336,019	1,326,181	1,074,647	-	-	-	-	-	-
Restricted for debt service	16,899,080	16,500,750	13,211,927	10,950,939	-	-	-	-	-	-
Restricted for sewer lateral projects	1,729,514	1,620,123	1,705,621	1,612,091	-	-	-	-	-	-
Restricted for parks	2,548,952	2,338,696	3,701,232	4,676,748	-	-	-	-	-	-
Restricted for capital projects	11,659,945	19,708,476	19,067,106	11,660,025	-	-	-	-	-	-
Restricted for cemetery	362,842	341,699	310,193	293,137	-	-	-	-	-	-
Restricted for tourism	2,288,141	2,177,653	1,953,307	1,684,657	-	-	-	-	-	-
Restricted for special business district	222,682	203,907	206,098	162,025	-	-	-	-	-	-
Assigned for capital projects	12,390,542	13,213,058	12,940,637	13,517,281	-	-	-	-	-	-
Total all other governmental funds	\$ 56,352,010	\$ 63,788,424	\$ 60,669,030	\$ 51,238,990	\$ 50,114,080	\$ 50,749,106	\$ 48,683,500	\$ 48,757,060	\$ 48,000,053	\$ 48,823,215

(1) In fiscal year 2011, GASB 54 was implemented.

CITY OF SAINT CHARLES, MISSOURI
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

TABLE 4

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Revenues										
Taxes, including interest and penalties	\$ 67,979,380	\$ 60,872,768	\$ 61,400,967	\$ 61,212,849	\$ 61,356,596	\$ 62,278,994	\$ 66,878,840	\$ 59,362,295	\$ 58,746,868	\$ 57,732,529
Special assessment	3,956,325	3,712,448	2,384,307	1,642,197	1,086,640	1,083,905	909,138	908,908	1,158,113	267,515
Federal, state and county grants	5,514,896	5,583,739	3,601,101	3,938,224	4,933,184	2,524,373	4,368,070	2,736,602	3,133,011	5,599,826
Intergovernmental revenue from Saint Charles County Convention & Sports Authority	2,878,857	3,510,342	2,383,662	2,253,447	1,580,738	1,444,504	1,154,117	1,236,836	1,865,412	1,451,851
Licenses, permits, fines and fees	6,673,927	6,025,349	6,276,097	5,980,995	6,113,807	5,931,392	6,250,179	6,096,228	7,302,296	6,016,817
Interest on investments	155,401	164,160	209,050	361,132	834,274	957,784	3,047,756	3,384,901	2,492,724	1,344,486
Other	3,886,607	2,529,252	2,759,876	1,086,134	986,299	1,661,119	828,403	986,454	1,152,386	734,792
Total revenues	91,045,393	82,398,058	79,015,060	76,474,978	76,891,538	75,882,071	83,436,503	74,712,224	75,850,810	73,147,816
Expenditures										
Current:										
General government	14,116,381	13,807,636	14,057,815	13,760,082	14,762,712	14,947,595	13,515,232	13,079,995	12,378,037	11,659,958
Public Works/Public improvements	6,775,318	6,219,296	5,644,952	6,122,440	6,211,586	5,921,164	5,810,181	5,833,992	4,997,836	4,984,276
Public parks	3,790,808	3,622,525	3,447,249	4,133,464	3,445,619	3,336,809	3,370,417	3,237,995	3,132,165	3,102,441
Public safety	31,326,692	29,129,034	29,048,261	29,362,809	29,425,907	28,699,215	28,114,149	27,132,027	26,282,106	25,205,711
Public services	55,600	264,158	46,000	187,175	219,961	44,315	154,403	119,701	88,501	-
Convention Center	1,145,018	566,333	1,581,963	690,382	409,286	778,555	241,561	288,411	376,766	901,031
Other	-	-	-	-	-	-	-	-	3,240	-
Capital outlay	26,360,676	35,441,637	26,304,127	21,998,515	25,531,600	13,835,331	23,811,682	12,071,848	17,722,836	26,284,138
Debt service										
Principal retirement	8,179,880	7,294,486	6,802,471	5,971,600	4,619,900	5,800,000	5,480,000	7,763,000	5,284,000	4,338,000
Interest and fiscal charges	5,607,439	4,459,368	3,926,834	5,472,574	5,002,712	3,852,126	3,451,117	3,606,547	3,314,774	3,394,090
Advance refunding escrow agent	-	-	-	-	-	-	508,389	-	465,681	-
Bond defeasance	-	-	-	942,700	989,402	-	-	-	-	-
Bond issue costs	127,056	435,377	589,398	171,537	104,419	23,049	67,280	-	105,426	180,838
Total expenditures	97,484,868	101,239,850	91,449,070	88,813,278	90,723,104	77,238,159	84,524,411	73,133,516	74,151,368	80,050,483
Excess of revenues over (under) expenditures	(6,439,475)	(18,841,792)	(12,434,010)	(12,338,300)	(13,831,566)	(1,356,088)	(1,087,908)	1,578,708	1,699,442	(6,902,667)
Other Financing Sources (Uses)										
Transfers in	7,205,395	2,793,937	1,786,763	1,235,102	1,382,169	3,288,287	2,020,240	2,095,987	960,212	1,549,344
Transfers out	(8,715,540)	(2,180,127)	(1,266,763)	(1,139,102)	(690,871)	(2,838,287)	(1,862,240)	(1,687,987)	(572,212)	(1,179,344)
Proceeds from sale of capital assets	163,815	49,610	138,113	1,191,087	30,064	21,650	51,200	74,602	60,707	85,255
Issuance of debt	4,439,700	28,270,000	46,490,000	9,860,000	8,815,000	5,322,700	4,230,000	-	10,930,000	22,495,000
Premium (discount) on debt issuance	6,833	488,301	573,864	(24,630)	(11,145)	(62,282)	-	-	-	-
Payments to escrow agent	(1,989,600)	(8,416,730)	(27,961,300)	-	66,524	(5,405,000)	-	-	(10,867,480)	-
Inception of capital lease	-	1,068,113	1,197,858	-	-	-	-	-	-	-
Delivery to trustee of refunded tax increment financing notes	-	-	-	-	-	-	-	-	-	(14,590,000)
Total other financing sources (uses)	1,110,603	22,073,104	20,958,535	11,122,457	9,591,741	327,068	4,439,200	482,602	511,227	8,360,255
Net change in fund balances	\$ (5,328,872)	\$ 3,231,312	\$ 8,524,525	\$ (1,215,843)	\$ (4,239,825)	\$ (1,029,020)	\$ 3,351,292	\$ 2,061,310	\$ 2,210,669	\$ 1,457,588
Debt service as a percentage of noncapital expenditures	17.0%	13.9%	13.7%	15.9%	12.8%	14.4%	12.6%	18.6%	15.2%	14.4%

CITY OF SAINT CHARLES, MISSOURI
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

TABLE 5

Fiscal Year	Property	Sales & Use	(1) Gaming	Utility	TIF Revenue	Cigarette	Financial Institution	Gasoline and Motor Fuel	County Road and Bridge	Hotel Tax	Franchise	Tourism	Total
2014	\$ 16,570,784	\$ 17,179,787	\$ 11,983,798	\$ 8,533,576	\$ 6,235,154	\$ 462,603	\$ 5,993	\$ 2,492,172	\$ 1,232,372	\$ 317,705	\$ 964,566	\$ 2,617,992	\$ 68,596,502
2013	11,137,526	15,770,242	12,310,262	8,347,125	5,591,173	435,944	11,243	2,386,886	1,355,407	277,614	853,175	2,338,114	60,814,711
2012	11,287,795	15,517,651	13,155,684	8,095,725	5,871,222	388,798	12,144	2,367,826	1,272,245	269,747	816,565	2,345,565	61,400,967
2011	10,586,078	15,622,986	13,417,479	8,574,604	5,785,805	392,983	13,034	2,287,177	1,355,046	253,668	755,086	2,168,903	61,212,849
2010	11,304,577	14,536,763	13,904,213	9,026,740	5,518,594	380,702	6,940	2,308,813	1,340,694	239,892	713,718	2,074,950	61,356,596
2009	10,998,183	15,084,198	15,050,008	8,957,678	5,195,093	412,429	5,031	2,242,035	1,411,602	226,753	654,430	2,041,554	62,278,994
2008	12,870,722	15,704,898	14,830,073	11,088,264	5,328,202	469,726	22,916	2,321,477	1,308,543	251,398	564,502	2,118,119	66,878,840
2007	11,030,424	15,923,961	14,849,196	6,382,162	4,142,418	474,339	-	2,547,037	1,265,309	231,575	519,173	1,996,701	59,362,295
2006	11,004,215	15,134,965	15,691,542	6,140,413	3,975,932	486,653	12,258	2,536,417	1,167,498	211,498	489,411	1,896,066	58,746,868
2005	10,228,748	15,304,580	16,302,297	6,357,907	3,182,961	471,555	17,874	2,480,639	1,038,974	156,048	448,867	1,742,070	57,732,520
Change													
2005 - 2014	162.0%	112.3%	73.5%	134.2%	195.9%	98.1%	33.5%	100.5%	118.6%	203.6%	214.9%	150.3%	118.8%

(1) All gaming revenue is generated from Ameristar Casino.

CITY OF SAINT CHARLES, MISSOURI
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

TABLE 6

Tax Year	Residential Property	Commercial Property	Agriculture Property	Railroad & Utility	Personal Property	Total Taxable Assessed Value	Estimated Actual Value	Direct Tax Rate	Ratio of Total Assessed Value To Total Estimated Actual Value
2014	716,314,174	312,513,745	490,428	22,447,888	195,531,624	1,247,297,859	5,405,360,082	0.9312	23.08%
2013	705,599,212	315,040,329	489,988	21,733,469	196,499,173	1,239,362,171	5,357,617,604	0.9312	23.13%
2012	738,240,318	322,676,034	656,124	20,978,772	196,991,330	1,279,542,578	5,553,870,535	0.9115	23.04%
2011	733,852,043	323,461,920	653,290	21,171,141	181,990,894	1,261,129,288	5,488,737,958	0.9115	22.98%
2010	758,761,538	342,651,221	593,025	19,346,048	181,778,989	1,303,130,821	5,673,187,810	0.8810	22.97%
2009	749,185,440	341,987,961	526,827	18,770,116	189,558,308	1,300,028,652	5,641,794,749	0.8810	23.04%
2008	785,615,061	354,375,239	593,793	17,982,345	196,830,377	1,355,396,815	5,892,270,257	0.8810	23.00%
2007	762,678,070	333,093,697	593,059	18,168,191	188,346,470	1,302,879,487	5,680,119,214	0.8810	22.94%
2006	656,689,032	290,876,405	600,306	16,984,897	186,253,727	1,151,404,367	4,980,575,577	0.9200	23.12%
2005	629,094,900	277,500,190	828,889	16,813,040	174,860,426	1,099,097,445	4,760,717,286	0.9200	23.09%
2004	531,818,900	244,117,266	647,844	16,182,747	167,852,241	960,618,998	4,119,969,620	0.9700	23.32%

Notes: Property is reassessed once every two years. Property is subclassified for purposes of assessment as follows:

- Residential Real Property - 19% of true value
- Commercial Real Property - 32% of true value
- Agriculture Real Property - 12% of productivity value
- Railroad & Utility - 33 1/3% of productivity value
- Personal Property - 33 1/3% of book value

Estimated actual taxable value is calculated by dividing taxable assessed value by these percentages. Tax rates are per \$100 of assessed value.
The figures reflect assessed valuation following Board of Equalization Review, but are not year end final figures.

Source: Assessed valuations are from the office of the Saint Charles County Clerk.

CITY OF SAINT CHARLES, MISSOURI
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Per \$100 of Assessed Valuation)

TABLE 7

City of Saint Charles Direct Tax Rates					Overlapping Tax Rates					
Tax Year	General Operating	Parks Operating	Debt Service	Total Direct	School Districts(1)			Saint Charles County (2)	Saint Charles Community College	Others(3)
					Orchard Farm	Saint Charles	Francis Howell			
2014	0.5380	0.2319	0.1613	0.9312	4.8249	5.5820	5.1930	0.2041	0.2196	0.7043
2013	0.5380	0.2319	0.1613	0.9312	4.8344	5.1359	5.3848	0.2041	0.2196	0.5980
2012	0.5183	0.2319	0.1613	0.9115	4.6801	4.9849	5.1829	0.2041	0.2196	0.5746
2011	0.5183	0.2319	0.1613	0.9115	4.7576	4.8419	5.1352	0.2041	0.2196	0.5690
2010	0.5000	0.2250	0.1560	0.8810	4.6175	4.5562	4.5968	0.2041	0.2196	0.5518
2009	0.5000	0.2250	0.1560	0.8810	4.6134	4.5200	4.7291	0.2041	0.2196	0.5518
2008	0.5000	0.2250	0.1560	0.8810	4.4590	4.3000	4.4541	0.2045	0.2094	0.5249
2007	0.5000	0.2250	0.1560	0.8810	4.4251	4.3700	4.4522	0.2045	0.2094	0.5217
2006	0.5270	0.2370	0.1560	0.9200	4.6184	4.4700	4.7176	0.2173	0.2196	0.5541
2005	0.5270	0.2370	0.1560	0.9200	4.6184	4.4700	4.7168	0.2178	0.2196	0.5541

Notes:

- (1) The City is served by three school districts. While all three school districts overlap the City, none of the school districts overlap another school district.
- (2) In addition to the tax rate shown, there is a \$.53 tax rate (surcharge) imposed on all Real Estate Sub-Class 3, Commercial properties located in Saint Charles County.
- (3) Includes the tax rate for Saint Charles County Ambulance District, Developmental Disabilities Board, Saint Charles County Dispatch & Alarm Agency, Saint Charles County Library District and State of Missouri.

Source: Tax rates provided by respective taxing districts and office of the Saint Charles County Registrar or Collector.

CITY OF SAINT CHARLES, MISSOURI
PRINCIPAL PROPERTY TAXPAYERS(1)
CURRENT YEAR AND NINE YEARS AGO

TABLE 8

Taxpayer	2014			2005		
	Assessed Value	Rank	Percentage of Total Assessed Valuation(2)	Assessed Value	Rank	Percentage of Total Assessed Valuation(3)
Ameristar Casino St. Charles, Inc.	\$ 92,341,864	1	7.40%	\$ 64,249,689	1	5.85%
Boeing Company	21,717,413	2	1.74%	14,461,887	2	1.32%
SCND Block 4000 LLC (Streets of St. Charles)	10,682,726	3	0.86%			
Embassy suites Hotel	8,683,903	4	0.70%	5,730,800	7	0.52%
Sterling Sun Valley Apartments NF LLC	6,041,083	5	0.48%	6,304,590	5	0.57%
Mullenix St. Charles Properties, LP	5,534,648	6	0.44%	5,368,890	8	0.49%
Johnston Coca-Cola Bottling Group	5,462,961	7	0.44%	6,513,563	4	0.59%
G & I VI St. Charles Retail (Bass Pro)	5,454,761	8	0.44%			
CAPLACO Fourteen, Inc. Dierbergs Properties	5,442,397	9	0.44%	5,965,902	6	0.54%
Bogey Hills Acquisition LLC	4,783,920	10	0.38%	4,433,990	9	0.40%
Greater Missouri Builders, Inc.				10,878,640	3	0.99%
Remington Apartments Association LP				4,304,240	10	0.39%
	<u>\$ 166,145,676</u>		<u>13.32%</u>	<u>\$ 128,212,191</u>		<u>11.66%</u>

Notes:

(1) Excludes the assessed value of properties within tax increment financing redevelopment areas.

(2) Based on 2014 assessed valuation equal to \$1,247,297,859.

(3) Based on 2005 assessed valuation equal to \$1,099,097,445.

Source: Assessed valuations are from the St. Charles County Assessor's office.

CITY OF SAINT CHARLES, MISSOURI
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

TABLE 9

Tax Year	Total Tax Levy		Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2014	\$	12,194,304	\$ 5,704,027	46.8%	\$ -	5,704,027	46.8%
2013		11,966,964	5,596,231	46.8%	5,985,430	11,581,661	96.8%
2012		12,130,235	4,811,622	39.7%	7,014,174	11,825,796	97.5%
2011		11,846,995	2,100,792	17.7% (1)	9,408,361	11,509,153	97.1%
2010		11,884,272	5,474,981	46.1%	6,201,095	11,676,076	98.2%
2009		11,865,600	5,929,525	50.0%	5,720,560	11,650,085	98.2%
2008		12,401,366	6,100,874	49.2%	6,094,207	12,195,081	98.3%
2007		11,851,124	4,586,793	38.7%	7,008,798	11,595,591	97.8%
2006		10,965,676	4,739,301	43.2%	6,042,799	10,782,100	98.3%
2005		10,446,361	5,011,029	48.0%	5,165,441	10,176,470	97.4%

Note - Per State Statute, Uncollected Personal Property Tax is written-off after five years.

(1) County's conversion to a new software system resulted in bills going out late and Collections being delayed until January 2012.

Source: Saint Charles County Collector

CITY OF SAINT CHARLES, MISSOURI
DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN FISCAL YEARS

TABLE 10

Fiscal Year	City Direct Rate	Saint Charles County	Metropolitan Park Tax	Children & Family Services	State of Missouri	Total Sales Tax
2014	1.50%	1.50%	0.10%	0.1250%	4.2250%	7.4500%
2013	1.50%	1.50%	0.10%	0.1250%	4.2250%	7.4500%
2012	1.50%	1.50%	0.10%	0.1250%	4.2250%	7.4500%
2011	1.50%	1.50%	0.10%	0.1250%	4.2250%	7.4500%
2010	1.50%	1.45%	0.10%	0.1250%	4.2250%	7.4000%
2009	1.50%	1.45%	0.10%	0.1250%	4.2250%	7.4000%
2008	1.50%	1.45%	0.10%	0.1250%	4.2250%	7.4000%
2007	1.50%	1.45%	0.10%	0.1250%	4.2250%	7.4000%
2006	1.50%	1.50%	0.10%	0.1250%	4.2250%	7.4500%
2005	1.50%	1.50%	0.10%	0.1250%	4.2250%	7.4500%

Note: The city sales tax rate may be changed only with voter approval. State law exempts certain food sales from 3% of state sales tax.

Source: City Finance Department and Missouri Department of Revenue

CITY OF SAINT CHARLES, MISSOURI
SALES TAX COLLECTIONS BY YEAR
LAST TEN FISCAL YEARS

TABLE 11

Fiscal Year		General 1% City Sales Tax	Capital Improvement Sales Tax 0.50%
2014	\$	11,483,052	\$ 5,485,202
2013		10,554,540	5,026,135
2012		10,373,147	4,957,456
2011		10,428,256	4,958,750
2010		9,671,590	4,641,048
2009		10,044,195	4,805,399
2008		10,432,771	5,010,007
2007		10,439,789	5,020,028
2006		9,955,218	4,771,449
2005		10,135,744	4,885,349

Source: Basic financial statements and notes to the financial statements.

CITY OF SAINT CHARLES, MISSOURI
RATIOS OF OUTSTANDING DEBT BY TYPE (1)
LAST TEN FISCAL YEARS

TABLE 12

Fiscal Year	Governmental Activities					Business-Type Activities			Total	Debt Per Capita(1)
	General Obligation Bonds	Special Assessment Bonds	Notes Payable	Certificates of Participation	Tax Increment Notes	Leasehold Revenue Bonds	Leasehold Revenue Bonds	Certificates of Participation		
2014	21,105,000	49,870,000	1,888,934	25,205,500	13,242,000	-	-	118,614,500	229,925,934	3,402.83
2013	22,450,000	48,910,000	2,109,613	28,248,600	16,221,000	-	-	123,281,400	241,220,613	3,569.99
2012	7,425,000	46,030,000	1,160,587	30,752,000	18,538,000	-	-	126,033,000	229,938,587	3,459.65
2011	8,560,000	28,565,000	-	31,265,200	20,685,000	-	-	128,724,800	217,800,000	3,270.37
2010	10,485,000	19,280,000	-	34,161,800	22,125,000	-	30,110,000	131,083,200	247,245,000	3,757.87
2009	12,385,000	12,140,000	-	29,255,000	23,679,000	5,405,000	48,710,000	1,780,000	133,354,000	2,071.16
2008	13,135,000	12,605,000	-	30,000,000	26,984,000	5,940,000	49,540,000	3,020,000	141,224,000	2,225.33
2007	14,740,000	11,015,000	-	30,630,000	27,559,000	6,445,000	50,325,000	4,240,000	144,954,000	2,317.89
2006	15,775,000	11,200,000	-	31,115,000	30,137,000	9,925,000	51,070,000	5,440,000	154,662,000	2,498.82
2005	16,355,000	11,200,000	-	31,460,000	32,596,000	11,610,000	51,780,000	6,620,000	161,621,000	2,642.72

Notes:
(1) See table 17 for population data. Debt per capita in 2014 is based on 2013 population since 2014 estimated population was not available.

Source: Details regarding the City's outstanding debt can be found in the note to the financial statements.

CITY OF SAINT CHARLES, MISSOURI
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

TABLE 13

Fiscal Year	General Obligation Bonds And Special Assessment Bonds	Fund Balance Debt Service Fund	Net General Bonded Debt (3)	Percentage of Actual Taxable Value of Property (1)	Debt Per Capita (2)
2014	70,975,000	12,575,071	58,399,929	4.56%	\$ 864.30
2013	71,290,000	11,092,522	60,197,478	4.86%	\$ 890.90
2012	53,455,000	9,026,936	44,428,064	3.47%	\$ 668.46
2011	37,125,000	6,370,781	30,754,219	2.44%	\$ 467.43
2010	29,765,000	5,795,906	23,969,094	1.84%	\$ 364.31
2009	24,525,000	5,310,343	19,214,657	1.48%	\$ 297.92
2008	25,740,000	3,961,692	21,778,308	1.61%	\$ 342.19
2007	25,755,000	3,668,629	22,086,371	1.70%	\$ 352.28
2006	26,975,000	3,262,334	23,712,666	2.06%	\$ 382.68
2005	27,555,000	2,429,795	25,125,205	2.29%	\$ 410.48

Notes:

(1) See table 6 for property value data.

(2) See table 17 for population data. Debt per Capita in 2014 is based on 2013 population since 2014 estimated population was not available.

(3) The table includes the NID Bonds. The NID Act and the constitutional provision authorizing neighborhood improvement districts expressly provide a debt limitation of 10% of the issuer's then-current assessed valuation. Spradlin v. Fulton raised, but did not answer the question of whether the NID Act and constitutional authorization established a debt limit independent of other general obligation debt limitations. Accordingly, at this time, NID Bonds are computed as part of the general debt limitation.

CITY OF SAINT CHARLES, MISSOURI
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2014

TABLE 14

Jurisdiction	Debt Outstanding	Percentage Applicable to Saint Charles	Share of Debt Applicable to Saint Charles (1)
Debt repaid with property taxes:			
Saint Charles County Community College	31,790,000	17.54%	5,575,966
Saint Charles School District R-VI	21,362,412	84.02%	17,948,699
Saint Charles County Ambulance District	7,285,000	17.44%	1,270,504
Francis Howell R-III School District	152,222,861	14.77%	22,483,317
Orchard Farm School District R-V	30,185,000	76.28%	23,025,118
St. Charles County (2)	4,141,000	17.44%	722,190
			71,025,794
City's direct debt (3)			229,925,934
Total direct and overlapping debt			\$ 300,951,728

(1) Estimates based on 2014 locally assessed real and personal property assessment for the County, College and Ambulance District.
For the other taxing districts, the ratio is based on 2014 assessed valuation of real property following Board of Equalization review.

(2) Includes Neighborhood Improvement District Bonds paid from special assessments.

Sources: Assessed value data used to estimate applicable percentages was provided by the St. Charles County Registrar.

Outstanding debt data was provided by each governmental unit or was obtained from public records relating to such governmental unit.

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Saint Charles. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

CITY OF SAINT CHARLES, MISSOURI
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

TABLE 15

	City Purposes Basic Limit	Streets And Sewer Additional Limit
Assessed Valuation	\$ 1,247,297,859	\$ 1,247,297,859
Debt Limit - 10% off assessed valuation	124,729,786	124,729,786
Amount of debt applicable to debt limit		
Total general obligation debt	70,975,000	-
Less: Amount available in debt service fund	(12,575,071)	-
Net bond indebtedness applicable to debt limit	58,399,929	-
Legal debt margin	\$ 66,329,857	\$ 124,729,786

City Purposes Basic Limit										
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Debt Limit	\$ 124,729,786	\$ 123,936,217	\$ 127,954,258	\$ 126,112,929	\$ 130,313,082	\$ 130,002,865	\$ 135,539,682	\$ 130,287,949	\$ 115,140,437	\$ 109,909,745
Total net debt applicable to limit	58,399,929	60,197,478	44,428,064	30,754,219	23,969,094	19,649,730	21,778,308	22,086,371	23,712,666	25,125,205
Legal Debt Margin	\$ 66,329,857	\$ 63,738,739	\$ 83,526,194	\$ 95,358,710	\$ 106,343,988	\$ 110,353,135	\$ 113,761,374	\$ 108,201,578	\$ 91,427,771	\$ 84,784,540
Total net debt applicable to the limit as a % of debt limit	46.82%	48.57%	34.72%	24.39%	18.39%	15.11%	16.07%	16.95%	20.59%	22.86%

Street and Sewer Additional Limit										
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Debt Limit	\$ 124,729,786	\$ 123,936,217	\$ 127,954,258	\$ 126,112,929	\$ 130,313,082	\$ 130,002,865	\$ 135,539,682	\$ 130,287,949	\$ 115,140,437	\$ 109,909,745
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ 124,729,786	\$ 123,936,217	\$ 127,954,258	\$ 126,112,929	\$ 130,313,082	\$ 130,002,865	\$ 135,539,682	\$ 130,287,949	\$ 115,140,437	\$ 109,909,745
Total net debt applicable to the limit as a % of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Note: The Missouri Constitution provides that in addition to the basic 10% debt limitation, the City may become indebted for an additional 10% of the assessed valuation for the purpose of acquiring rights-of-way, constructing, extending, and improving streets and avenues, and constructing, extending and improving a sanitary or storm sewer systems.

Source: Notes to the Financial Statements

CITY OF SAINT CHARLES, MISSOURI

TABLE 16

**PLEDGED-REVENUE COVERAGE
LAST NINE FISCAL YEARS**

Fiscal Year	Special Assessment Billing	Special Assessment Collections	Special Assessment Bonds		
			Principal	Debt Service	
				Interest	Coverage
2014	\$ 3,953,544	\$ 2,613,825	\$ 1,895,000	\$ 1,668,328	0.73
2013	3,679,871	3,374,483	735,000	1,048,500	1.89
2012	2,370,538	2,208,010	920,000	665,769	1.39
2011	1,631,094	2,084,678	575,000	703,065	1.63
2010	1,075,666	421,381	490,000	556,413	0.40
2009	1,075,666	1,095,344	465,000	413,238	1.25
2008	904,519	893,117	450,000	426,317	1.02
2007	904,519	823,738	185,000	695,475	0.94
2006	904,519	836,329	-	250,046	3.34

Source: Basic financial statements and notes to the financial statements.

**CITY OF SAINT CHARLES, MISSOURI
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

TABLE 17

Year	Population⁽¹⁾	Total Personal Income⁽²⁾	Income Per Capita	Unemployment Rate⁽³⁾	School Enrollment⁽⁴⁾
2014	67,569	\$ 1,895,691,240	28,056	5.0%	5,025
2013	67,569	1,895,691,240	28,056	5.7%	5,072
2012	66,463	1,803,088,454	27,129	5.9%	5,008
2011	66,598	1,823,691,996	27,384	7.3%	5,100
2010	65,794	1,875,471,324	28,505	8.3%	5,181
2009	64,496	1,733,826,653	26,883	8.5%	5,175
2008	63,644	1,838,347,974	28,885	6.2%	5,340
2007	62,696	1,644,666,000	26,232	4.8%	5,580
2006	61,964	N/A	N/A	4.6%	5,733
2005	61,209	N/A	N/A	5.0%	5,881

(1) US Bureau of Census unofficial estimates except for 2010 which is an official census count of the US Bureau of Census.

(2) US Bureau of Census, American Community Survey, 1-year estimates, only available from 2009-2013

(3) Missouri Department of Economic Development, Missouri Economic Research and Information Center, in cooperation with the US Department of Labor

(4) St. Charles R-VI School Enrollment, Missouri Department of Elementary & Secondary Education

CITY OF SAINT CHARLES, MISSOURI
LARGEST EMPLOYERS
CURRENT AND NINE YEARS AGO
DECEMBER 31, 2014

TABLE 18

	2014			2005		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Ameristar Casino (Casino Saint Charles Riverfront)	1,600	1	4.3%	1,938		4.9%
SSM Saint Joseph Health Center	1,308	2	3.5%	1,600		4.1%
Saint Charles County	1,261	3	3.4%	1,039		2.7%
Boeing	1,170	4	3.1%	1,100		2.8%
Saint Charles School District R-VI	852	5	2.3%	820		2.1%
Lindenwood University	711	6	1.9%	500		1.3%
Client Services Inc.	640	7	1.7%			
ATT Missouri/SBC	600	8	1.6%	500		1.3%
Central States Coca Cola	491	9	1.3%			
City of Saint Charles	459	10	1.2%	483		1.2%
Wal-Mart Store				414		1.1%
Fedex Freight East Inc				420		1.1%

Source: City of St. Charles, MO Economic Development Department

Note: Percentage of Total City Employment was based on the labor force of 37,261 for December 2014 and 39,197 for December 2005. Labor force statistics are unofficial estimates from the Missouri Economic Research and Information Center.

CITY OF SAINT CHARLES, MISSOURI

TABLE 19

**FULL-TIME CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental Activities:										
General Government										
Mayor	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0	1.0
Council	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Administration	4.0	4.0	3.0	3.0	3.0	3.0	3.0	3.5	4.5	5.5
Human Resources	4.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	4.0	4.0
City Clerk	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	5.0
Legal	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0
Municipal Court	6.0	6.0	6.0	6.0	6.0	6.0	5.0	5.0	5.0	5.0
Finance	17.0	17.0	16.0	15.0	15.0	15.0	15.0	15.0	16.0	16.0
Community Development	19.0	19.0	19.0	20.0	21.0	21.0	21.0	21.0	21.0	22.0
Economic Development	3.0	3.0	3.0	3.0	3.5	3.5	4.0	2.0	2.0	2.0
Information Technology/Media	8.0	7.0	4.0	8.0	8.5	8.5	9.0	9.5	8.5	5.5
Cemetery	2.0	1.5	2.0	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Engineering	16.0	16.0	17.0	16.0	17.0	17.0	17.0	17.0	17.0	17.0
CDBG	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Sewer Lateral Program/Water Service Line	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Tourism	11.0	10.0	11.0	11.0	11.0	12.0	12.0	10.0	10.0	9.0
Public Safety:										
Police	146.0	156.0	162.0	156.0	156.0	156.0	156.0	155.0	154.0	153.0
Fire	74.0	85.0	85.0	85.0	85.0	85.0	85.0	85.0	85.0	85.0
Community Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Public Works:										
Building Maintenance	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Public Improvements:										
Streets/ Stormwater	33.0	32.0	32.0	32.0	31.0	31.5	31.5	31.5	29.5	29.5
Public Parks:										
Pools/Concessions/Men. Hall/Recr.	6.0	4.0	4.0	4.0	4.0	4.0	5.0	5.0	5.0	5.0
Maintenance	13.0	14.5	13.0	13.5	13.5	12.5	12.5	12.5	12.5	12.5
General Administration	5.0	5.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0
Security	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0	2.0
Total Governmental Activities	386.0	404.0	406.0	403.0	404.0	404.5	404.5	400.5	396.5	393.5

CITY OF SAINT CHARLES, MISSOURI

TABLE 19

FULL-TIME CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM (continued)
LAST TEN FISCAL YEARS

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Business-Type Activities:										
Waterworks										
Water Administration	5.0	8.0	7.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Purification/Clarification	6.0	6.5	6.0	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Distribution	10.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Water Pollution Control										
Maintenance & Pumping	10.0	8.5	8.0	8.5	8.5	8.0	8.0	8.0	8.0	8.0
Water Pollution Control	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Parking Facilities	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total Business-Type Activities	33.0	32.0	30.0	32.0	32.0	31.5	31.5	31.5	31.5	31.5
Total Governmental and Business Activities	419.0	436.0	436.0	435.0	436.0	436.0	436.0	432.0	428.0	425.0

Notes: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave).

The City has not maintained statistics on full-time equivalents

Source: City Finance department.

CITY OF SAINT CHARLES, MISSOURI
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

TABLE 20

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Functions/Program										
Governmental Activities:										
General Government										
Business/Liquor licenses issued	2,429	2,588	2,261	2,268	2,367	2,392	2,394	2,417	2,703	2,701
AP checks issued	12,347	13,621	12,921	13,517	17,845	17,091	16,022	14,625	14,525	12,723
Payroll checks issued	1,594	1,745	1,895	16,906	15,887	15,731	15,632	15,394	14,892	14,950
Purchase orders issued	1,483	1,327	1,316	1,258	1,294	1,223	946	997	899	830
Formal Bids	91	72	88	97	94	107	103	109	100	108
Public Improvements										
Permits issued for commercial construction	8	9	6	9	7	10	13	13	28	49
Value of permits commercial construction	\$ 30,104,520	\$ 14,938,695	\$ 28,876,361	\$ 33,475,000	\$ 4,703,536	\$ 37,442,468	\$ 29,840,375	\$ 13,856,908	\$ 222,795,880	\$ 48,103,905
Permits issued for residential construction	394	198	500	108	190	214	394	538	550	472
Value of permits residential construction	\$ 76,058,298	\$ 50,641,637	\$ 74,220,483	\$ 41,077,214	\$ 37,599,825	\$ 41,791,333	\$ 75,805,400	\$ 116,241,704	\$ 110,410,339	\$ 71,980,650
Public Parks										
Aquatic facilities attendance	82,727	87,719	140,966	137,678	98,989	77,611	85,871	78,011	97,553	100,135
Public Safety										
Police										
Physical arrests:										
Adult	4,243	4,378	4,409	4,422	4,724	4,520	4,299	3,670	3,726	4,881
Juvenile	73	56	104	396	446	512	375	408	478	548
Traffic Violations:										
Tickets	10,341	5,621	7,368	9,581	10,698	11,734	13,551	14,158	13,746	20,959
Accidents	1,777	1,714	1,717	1,934	1,949	1,876	1,789	1,915	1,878	2,326
Fire										
Number of calls answered	8,399	8,372	8,277	8,243	8,272	7,932	8,228	8,206	7,956	6,983
Inspections	4,083	832	662	4,833	5,323	4,495	3,121	2,575	4,690	1,140
Public Works										
Potholes/Depressions repaired	2,693	2,621	1,744	2,865	1,849	1,407	1,171	720	291	513
Large asphalt cut-outs/wedges	27	43	45	210	43	13	17	19	12	29
Asphalt sewer cut-outs	5	-	-	-	-	-	4	-	8	11
Asphalt water cut-outs	-	-	67	-	2	2	1	-	4	3
Street panels/Concrete slabs repaired	161	125	137	98	107	129	139	107	188	42
Sidewalk slabs repaired	133	203	366	396	318	491	371	302	322	525
Curb & gutter footage repaired	410	1,582	1,842	2,943	1,610	1,198	1,514	619	910	674
Miles of streets swept/cleaned	2,938	4,101	4,987	4,889	3,310	2,485	2,637	2,290	2,923	1,935
Utility Locates	9,120	8,609	7,970	6,677	7,704	7,336	8,270	9,402	8,647	*
Sign Installation & Maintenance										
Regulatory signs	2,872	1,868	1,038	881	921	1,153	1,321	1,334	1,295	842
Warning signs	310	321	190	129	138	145	155	183	137	85
Guide/Miscellaneous signs	219	208	610	338	621	541	53	567	518	420
Pedestrian crosswalk locations	10	6	2	-	-	-	1	-	200	33
Curb painting (feet)	14,872	2,752	1,172	2,063	4,590	2,525	1,030	1,375	2,147	705

CITY OF SAINT CHARLES, MISSOURI
OPERATING INDICATORS BY FUNCTION (continued)
LAST TEN FISCAL YEARS

TABLE 20

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Functions/Program										
Business-Type Activities:										
Waterworks										
Number of service connections	33,868	33,791	33,206	32,486	32,373	32,275	32,087	31,267	29,894	29,364
Average daily consumption in gallons	7,020,821	7,098,800	7,818,600	7,629,000	7,818,300	7,401,123	7,470,992	8,236,923	7,986,145	7,883,014
Total gallons distributed systemwide	2,562,600,000	2,591,068,000	2,861,619,000	2,784,578,000	2,853,694,000	2,708,811,000	2,734,383,000	3,006,477,000	2,914,943,000	2,877,300,000
New water services installed	210	108	116	115	224	241	259	634	2,578	584
Water main breaks repairs	80	24	44	44	42	64	50	48	44	37
Water meters replaced	1,231	5,342	5,800	7,100	360	53	26	1,021	996	403
Fire hydrants replaced	27	7	5	9	4	1	13	18	12	5
Fire hydrants repaired	160	34	43	41	36	45	72	138	155	135
Fire hydrants painted	552	30	83	-	-	-	72	120	116	23
Valve maintenance	457	217	290	346	346	367	460	600	1,076	1,054
Services repaired	42	23	41	26	35	34	31	102	91	65
Meter boxes repaired	127	79	93	46	-	-	45	75	71	40
Crowns & lids replaced	-	-	-	-	-	-	26	98	86	99
Meters tested	8	21	35	81	61	61	36	40	40	45
Service orders	10,560	13,764	8,276	3,344	3,323	2,961	3,148	3,191	2,793	3,215
Sanitary Sewer										
Number of customers serviced	34,470	33,947	33,803	33,093	32,981	32,881	32,690	31,880	30,481	29,973
Average daily gallons of sewage treatment	9,441,061	5,494,000	8,236,000	9,653,000	9,068,000	10,047,000	11,400,000	9,100,000	8,170,000	9,500,000
Total gallons of sewage treated (approx.)	3,445,987,265	2,005,310,000	3,006,140,000	3,523,345,000	3,309,820,000	3,667,155,000	4,161,000,000	2,982,050,000	3,467,000,000	3,516,045,000

* Information is not readily available.

Source: Various City departments.

CITY OF SAINT CHARLES, MISSOURI
CAPITAL ASSETS STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

TABLE 21

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Functions/Program										
Governmental Activities:										
Public Parks										
Parks	23	23	23	23	23	21	20	19	19	19
Parks acreage	823	823	823	823	823	705	677	671	671	671
Swimming pools	3	3	3	3	3	3	3	3	3	3
Basketball courts	5	5	5	5	5	4	3	3	3	3
Tennis courts	10	10	10	10	10	10	10	10	10	10
Ball diamonds	24	24	24	24	24	24	24	24	24	24
Soccer fields	20	19	19	19	19	19	19	19	19	19
Horseshoe courts	14	14	14	14	16	16	16	16	16	16
Sand Volleyball courts	4	4	4	4	4	4	4	4	4	4
In-line hockey rink	1	1	1	1	1	*	*	*	*	*
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	82	83	91	84	82	85	74	72	70	70
Fire										
Fire stations	5	5	5	5	5	5	5	5	5	5
Public Works										
Area in square miles	24.62	24.61	24.61	24.60	24.60	24.59	24.58	24.58	24.25	24
Streets (miles)	272	270	270	250	249	248	248	233	232	232
Streetlights	5,147	2,265	2,259	2,175	2,115	2,107	2,057	1,977	1,910	*
Gas Lights	182	179	179	146	146	146	146	148	148	*
Traffic signals	45	45	45	43	46	40	40	37	36	*
Pedestrian signals	2	2	2	2	2	2	2	2	2	*
Flashing speed limit signs	24	24	24	22	18	18	17	17	17	*
Flashing beacons	4	3	2	4	1	1	1	2	2	*

CITY OF SAINT CHARLES, MISSOURI
CAPITAL ASSETS STATISTICS BY FUNCTION (continued)
LAST TEN FISCAL YEARS

TABLE 21

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Functions/Program										
Business-type Activities:										
Waterworks										
Water mains (miles)	318	316	314	322	322	320	316	316	276	*
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Fire hydrants	2,561	2,266	2,558	2,558	2,558	2,517	2,472	2,396	2,304	2,298
Maximum daily capacity in gallons	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000
Sanitary Sewer										
Sanitary sewer (miles)	312	271	296	291	288	288	286	281	278	275
Storm sewers (miles)	180	173	170	165	163	160	155	153	145	142
Number of treatment plants	2	2	2	2	2	2	2	2	2	2
Number of lagoons	0	0	0	1	1	1	1	1	1	1
Number of lift stations	22	22	21	20	20	20	20	18	15	13
Number of vacuum stations	1	1	1	1	1	1	1	1	1	*
Maximum daily treatment capacity (in gallons)	17,170,000	12,800,000	12,800,000	12,800,000	12,800,000	12,800,000	12,800,000	12,800,000	12,800,000	12,800,000
Parking Facilities										
Number of garages	1	1	1	1	1	1	1	1	1	1
Number of parking lots - owned	17	17	17	17	17	17	16	16	16	*
Number of parking lots - leased	3	3	2	2	2	2	2	2	2	*

* Information is not readily available.

Source: Various City departments.